

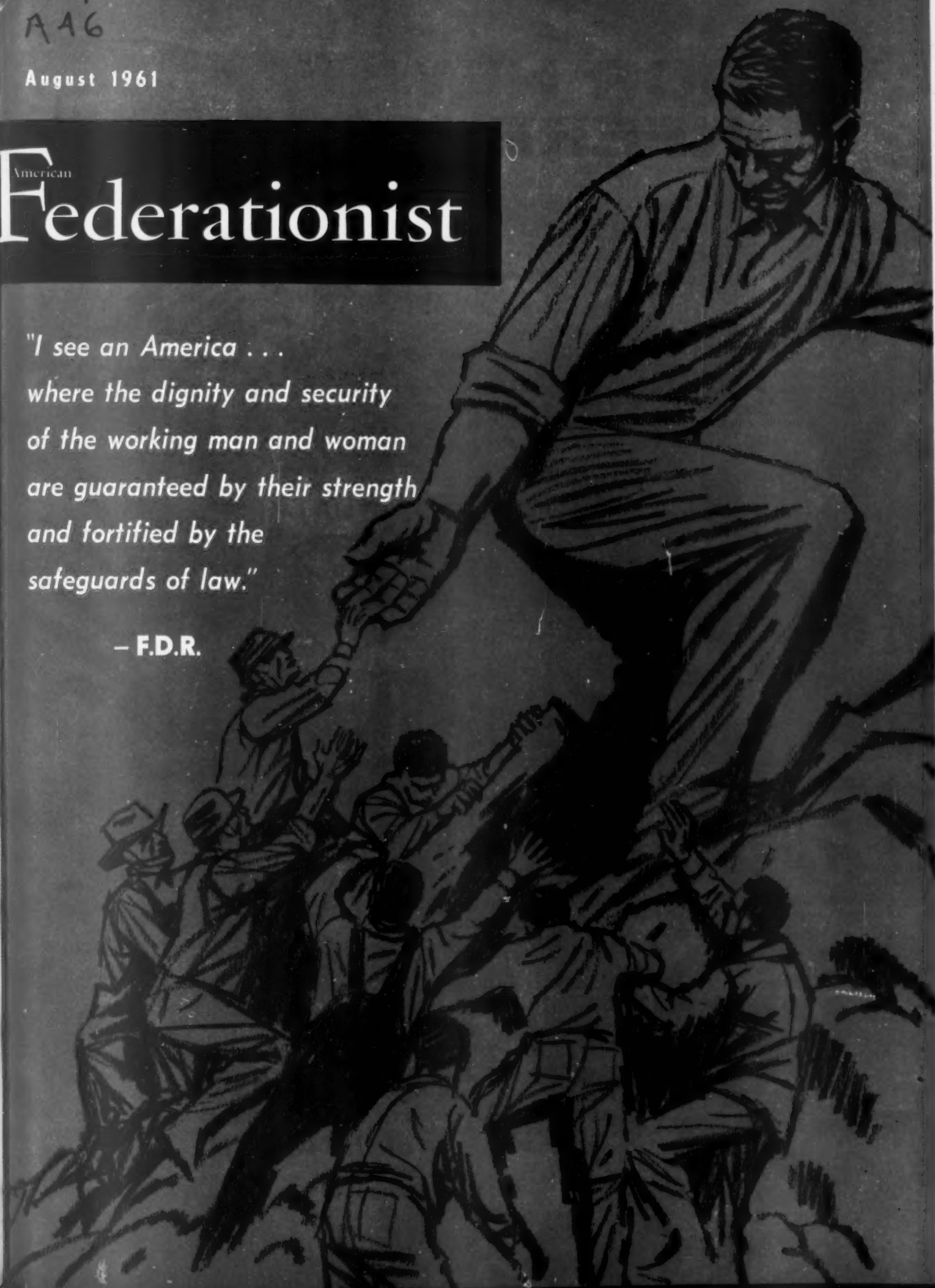
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American Federationist

*"I see an America . . .
where the dignity and security
of the working man and woman
are guaranteed by their strength
and fortified by the
safeguards of law."*

— F.D.R.



LABOR NEWS CONFERENCE

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**A Public Affairs
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of the AFL-CIO**

In this Issue

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Wage-Hour Gains Mean Better Life For Underdog

by John W. Edelman



Mrs. Eleanor Roosevelt, friend of the less privileged, champions their cause again.



More than 2.5 million low paid workers in the United States will get wage raises in the week after Labor Day when the 1961 amendments to the Fair Labor Standards Act go into effect.

The 23.9 million workers who have been covered by the Fair Labor Standards Act since its enactment in 1938 and who since 1956 have been paid at least \$1.00 per hour will, as of September 3rd, receive \$1.15 for the next two years; after that the minimum will go to \$1.25 per hour.

After 15 years of effort the act was amended this year to bring in over 3.6 million persons who previously had not enjoyed the protection of the law. The largest group of newly covered men and women—some 2.3 million—are employed in retail and service industries. For this group the new minimum will be \$1.00 per hour, going to \$1.25 over a four-year period.

Roughly 663,000 of the newly covered people are now getting less than \$1.00 an hour. Of those presently covered, about 1.9 million are now earning hourly wages of less than \$1.15 an hour.

The government estimates employers will pay out in the first year's operation of the law to the newly covered group of employees at least \$200 million additional in their total wage bill. Additional wages totaling some \$336 million will go in the first year to the 1.9 million employees presently covered. Thus, over one-half billion dollars will be added to the nation's purchasing power.

The 1961 amendments regarding overtime, in the light of history, may turn out to be as important as the progress made on the minimum wage front. Time and one-half for all hours worked over 40 per week is the formula for those within the protection of the act. The more than 3.6 million who are now being brought under the law have been working unlimited

hours of overtime in addition to being barred from the minimum wage provision. For the next two years this group will still have to work without overtime protection; but at the end of the second year, these retail and service trades people—plus several other categories of newly covered men and women—will be paid time and one-half after 44 hours per week. In the fourth year, the maximum hours allowed will be 42 per week and, in the fifth year, the 40-hour week will prevail.

These were the gains and it would not be immodest for organized labor to feel some pride in helping to raise up its worst-off brothers. For many of those who will now receive some protection under the law were not union members and, for many, even to risk unionization might have endangered their present pittance.

Organized labor broke new ground in achieving this victory. The AFL-CIO Executive Council created a special Joint Minimum Wage Committee, which fused the efforts of 22 international unions. This group employed special staff and issued literature designed for general distribution and for specialists. The committee scheduled speakers for regional meetings in every section of the nation. It also coordinated the activities of hundreds of rank and file delegations which came to Washington, D.C., to lobby for a \$1.25 minimum wage and extension of the law to over 8 million more workers.

The grass roots of the labor movement were activated as rarely before. Unions called special conferences to intensify their campaigns. Central labor bodies initiated ingenious methods of developing community support. Petitions were circulated among and supported by business and civic leaders; tables were set up at street corners to collect signatures; sound trucks toured neighborhoods as in election campaigns. Local governing bodies and state legislatures were persuaded to pass ordinances and resolutions supporting federal action. The backing of governors and mayors was enlisted. And the people wrote letters.

Labor's efforts finally were rewarded in the advances of the 1961 amendments. Although Congress

JOHN W. EDELMAN, Washington representative of the Textile Workers Union of America, has been in the middle of many legislative struggles in the past quarter century.

was not persuaded to extend the protection of the FLSA to some 7 or 8 million additional wage earners and instead limited the gain to less than 4 million, a significant breakthrough was accomplished. Protection was brought to many in our society who have been among the most bitterly exploited and who have suffered some of the worst working conditions.

One of these groups now included in the 1961 law consists of about 33,000 persons employed in seafood processing plants. Seafood cannery workers have been covered since the beginning. Former House Labor Committee Chairman Graham Barden of North Carolina had been able to keep the processing plants, as distinguished from canneries, out of coverage. Over the years wretched conditions have prevailed in these plants. A degree of unionization has taken place in this branch of industry but the struggle has been formidable and the economic gains meager. Even now these processing employes are covered only by the \$1.00 per hour minimum wage provision and are entirely exempted from overtime protection on grounds this is a seasonal industry.

About 30,000 telephone operators employed by independent companies in very small exchanges are now brought under the act both as to the minimum and overtime. The Communications Workers, with the backing of the entire labor movement, bent every effort for more than a decade to accomplish this gain. Testimony in hearings over the years

Southern rank and filers join president of their union and acquaint Congress with problems of making ends meet.



has shown that wages as low as 50 cents an hour were paid these women to say nothing of working conditions.

Other traditionally low wage workers who are newly covered include 86,000 gasoline service station attendants (for minimum but not overtime), 93,000 employed by transit companies (also for the minimum but not overtime) and about one million men working for construction companies which do at least \$350,000 business annually.

Another group of workers brought under the law in 1961 after years of persistent effort are 100,000 seamen working on vessels flying the American flag.

The important and worthwhile gains made this year, it must in all candor be pointed out, were marred by certain losses. In terms of numbers of employes, the new exemptions punched into the act by intensive pressures from the "sweatshop" lobby are not too important. It is difficult to say which of these new exemptions will hurt the worst in terms of the type of worker involved and the conditions prevailing in a particular kind of employment. One of these setbacks involves 15,000 or so persons working in cotton gins who had been covered from the very start. It took more than 20 years for the group of southern senators and representatives who make themselves spokesmen in Congress for the cotton growers to punch this exemption into the act. They finally succeeded this year.

Other exemptions voted in 1961 took out home-

Union members awakened, channeled grass roots support for wage-hour improvements from neighborhood on up.



workers making holly wreaths and farmworkers engaged in "bulking" shade grown tobacco.

A particularly disturbing lack in the 1961 act is the utter absence of any forward movement in respect to the laundry industry. Although, of course, various high-sounding arguments were thrown around to justify doing nothing about laundries, the fact that a considerable, perhaps the major, segment of the people in the industry are Negroes was a motivating factor behind the determined move by a group of influential southerners to, as they said, "wash the laundries clean out of this bill."

In 1955 the Congress weakened the wage and hour law by voting in the so-called "logging" exemption. Ostensibly this aimed to aid small lumbering outfits by exempting crews of 12 or less workers. However, the big companies got onto the trick of subcontracting work so as to exempt and then to lower wages, etc., of thousands of men cutting and hauling trees in the woods. Senator Wayne Morse (D-Ore.) this spring fought vigorously to eliminate this ugly and unfair loophole but was overruled.

During the several years that the amendments adopted this year were before Congress, one of the most bitterly fought issues was on coverage of hotel and restaurant employees and the so-called "seasonal" exemptions for men and women in canning and food processing plants. On these two questions labor lost the battles. However, a section was written into the act instructing the Secretary of Labor to study both these problems and to make recommendations to Congress.

Involved in the matter of hotel and restaurant coverage is the question of tips. The unions in this industry were, at the very last, willing to compromise by covering only those classes of workers such as dishwashers and maids who get no tips and who are notoriously underpaid. But the hotel and restaurant industry lobby, one of the most virulent and omnipresent of all the employer groups which fought

this bill line by line and section by section, revealed its true colors by rejecting even this protection.

This fight, however, is not over. It may be taken for granted that when the Labor Department reports the facts and figures next year it will provide a solid case for a new attack on these areas where low wages persist. It is just possible that in the years ahead it will be necessary to seek additional improvements to the FLSA on a piecemeal basis. This is not a tactic anyone would lightly choose but if it is the only feasible method of closing additional loopholes, wiping out certain of the more shameful exemptions in the law, this is the way it may be approached.

In May, it should also be pointed out, when the wage and hour law fight went to the floor, the Kennedy Administration had not been in office long enough to mobilize the kind of assistance either in terms of research or in building public opinion which it will be able to develop when it becomes necessary and opportune to tackle this thorny but vital issue once more. Moreover, as time goes on, experience demonstrates even more clearly what proponents of improved labor standards have urged from the start—that this type of legislation, far from hurting industry, actually improves basic economic conditions more substantially and permanently than is possible by any other method.

Over and over again labor has made the point that employees who are, out of necessity or whatever the circumstance, condemned to work for substandard wages are not substandard human beings. Indeed the quite remarkable testimony offered, for instance, in the long drawn out hearings on this bill by witnesses seeking higher minimums for men and women in retail establishments showed the productivity, skill and zeal of these men and women were at a very high level. Similarly, it was shown that, in some industries such as food processing, the popular image of dirty sheds where semi-literate people do simple hard labor is quite a false picture.

From the department store, the mill and the shop, trade unionists took time off from their jobs to lobby on Capitol Hill. Here a delegation visits a stalwart friend of the working people, Senator Joseph S. Clark (D-Penna.).



One cannery worker from Baltimore almost floored a congressman by explaining that today in his factory the eyes are removed from potatoes by a mechanized process and a complicated electronic device. Overwhelming objective evidence was brought out which proved that whatever excuse or justification could have been made in the past for keeping wages at very low levels in certain industries or for certain types of jobs, conditions have so drastically changed today that those advocating decent wages, etc., are no longer fighting against "facts." The opposition is essentially based on prejudice and ignorance on the part of the public and some backward business people, plus sheer deliberate wicked selfishness and lack of social conscience.

To those assigned almost fulltime on this wage and hour legislation over a period of years, the successes achieved in 1961 were particularly gratifying simply because at long last a substantial breakthrough was made in labor's 15-year effort to broaden the coverage of the act. Certainly everyone who had any part in this struggle was happy over the fact the basic minimum for those already under the law was to be increased from \$1.00 to \$1.15 and then to \$1.25 per hour by stages.

From the standpoint of workers mostly affected by this provision, sections of the textile and apparel industries, for instance, this gain was important and welcome. Clearly the raising of the minimum will help to diminish the severity of regional competition which in recent years again has been plaguing these types of manufacture.

But the most rewarding, and certainly the most important fact about this bill from the standpoint of building a stronger America is that nearly 4 million additional people will have the protection of a \$1.00 an hour minimum wage floor. And no one is more pleased over this fact than the workers who will now graduate to the \$1.15 bracket. Those who have suffered low pay year after year know by now they don't make progress either by ignoring their fellow men who are still worse off—or indeed by doing anything to push him down still further. Many times during the past several years, sizable delegations of rank and filers from many industries and different places came to Washington to lobby for "the buck and a quarter and extended coverage" and got to talking over their problem. Their supremely decent and wonderfully commonsense conclusion was that "those who are a little bit ahead will go forward faster if we can do something for those who are furthest behind."

It was in this spirit that this wearying, sometimes almost stupefying—in the sense of listening ad nauseam to the most outworn arguments from opponents—and nerve-racking struggle was carried on. A remarkable unity of purpose and sense of dedication was displayed by the unions principally involved. If this kind of spirit is again rekindled when the next round comes up, we will certainly score further gains—next year or whenever the opportunity arises.



R-T-W Forces Try 'Back-Door'

by Andrew J. Biemiller

One morning in late January the four-man legislative team of the Oregon AFL-CIO in Portland was scanning the batch of bills dropped into the hopper of the newly convened legislature the previous day.

This was daily routine for the labor watch-dog committee. An important part of the job was to read every bill introduced in the two branches of the legislature as a safeguard against reactionary attacks on the rights of working people in the state.

On the surface the new measures, dealing with a variety of proposals, seemed far afield from labor-management relations.

Among them, however, was a proposed amendment to Oregon's Fair Employment Practices Act, introduced as House Bill No. 1268 by Rep. Mel Gordon, a freshman Republican member from one of Oregon's major industrial areas. Gordon's measure bore a title that described it as "relating to civil rights."

When elected to his first term, Gordon was described by the conservative political weekly, *Oregon Voter*, as a man who "will bring constructive business views" to the legislature.

Tom Scanlon, a member of the watch-dog committee, read only to the seventh line of the "civil rights" amendment when he slapped the bill on the desk of Joseph D. McDonald, president of the Oregon AFL-CIO. There, in a nine-word phrase, obscurely

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wrapped in a purported civil rights amendment, was a carefully disguised "right-to-work" law.

The amendment would prohibit any employer from refusing to hire or from discriminating against any person because of race, religion, color or "membership or non-membership in any organization of any kind." The proposed addition to Oregon's Fair Employment Practices Act was contained in the nine quoted words.

Here was a "right-to-work" boobytrap which, if undetected and enacted into law, would outlaw the right of labor and management to enter into union shop security agreements and largely nullify the collective bargaining process.

Commenting on this "back-door" attack on the right of working people to organize for their own welfare and to have an equal voice with management at the collective bargaining table, the Oregon Labor Press stated later:

"It would do in Oregon what all the financial and other resources of backward-looking employer groups have not been able to do in more than a half dozen states where 'right-to-work' measures have been on the general ballot."

Scanlon pointed out "it would nullify the union security clause in every collective bargaining contract in the state and set Oregon unions back at least four decades. This is a deliberate attempt to hide in a civil rights bill a 'right-to-work' measure that has no relationship to any civil right mentioned in the Constitution of Oregon or the United States."

Still another twist to this maneuver by the "right-to-work" propagandists was the apparent hope that by placing the hidden proposal in the Fair Employment Practices Act, it would enlist support from powerful civil rights groups. Introduction of the right-to-work "sleeper" in the legislature went unnoticed by the Oregon press. But for the alertness of the labor watch-dog committee, it might have slipped by.

When the real meaning of the amendment was brought to the attention of the House State and Federal Affairs Committee, it was quickly killed by bi-partisan action. Civil rights groups such as the National Association for the Advancement of Colored People and the Urban League refused to support the proposal.

Thus a new strategy by reactionary management groups of using the "back-door" approach in a devious attempt to "sneak" the anti-collective bargaining law onto state statute books made its initial appearance.

Hardly had the move been exposed and quashed in Oregon, however, than it became obvious this was not an isolated incident and that, in fact, the "right-to-work" propagandists had embarked on an entirely new and broad campaign of duplicity against the nation's working people.

In a half dozen widely scattered states the campaign of right-to-work "sneak attacks" burgeoned. In some states an identical attempt was made to sneak a "right-to-work" law into civil rights measures

by amending existing statutes. In other states equally obscure amendments to the state labor act were attempted.

The precise phraseology of the hidden amendments was so identical it quickly became clear the spontaneous blossoming of these anti-labor proposals in many states was no mere coincidence but that a widespread plot, masterminded by a national group, had been unleashed on the nation's industrial relations structure.

The identical wording of the "back-door" amendments had a striking similarity to the wording of the original so-called "right-to-work" laws that have cropped up in many state legislatures and in referendum proposals at the polls in others during the past 16 years under sponsorship and heavy financial support of the National Association of Manufacturers, the U.S. Chamber of Commerce, the Associated Manufacturers, Small Business Association, and the National Right-to-Work Committee.

The new 1961 "back-door" attack was aimed at states which in past years have consistently rejected "right-to-work" proposals either in the legislature, at the polls or both.

After Oregon, the attack was mounted in rapid succession in California, Idaho, Vermont and Connecticut. In three other states, New Mexico, Maine and Oklahoma, the "right-to-workers" reversed their field and came out into the open with recognizable anti-collective bargaining proposals.

In New Mexico, the legislature promptly killed the move. The "right-to-work" move was resoundingly rejected by the Maine legislature by a better than two-to-one majority in the House and an 18 to 12 vote in the Senate after a bitter fight in which the National Right-to-Work Committee and its management allies went all-out in an abortive drive to secure a "right-to-work" law in a progressive state that wanted no part of punitive legislation aimed at wrecking the state's excellent labor-management relations.

In Vermont, across the nation from Oregon, the "back-door" tactics of the "right-to-workers" drew a public denunciation from Republican Governor F. Ray Keyser, Jr. His administration has consistently opposed any legislation that would deny management and labor the right granted by federal law to agree at the collective bargaining table on union shop provisions in labor-management contracts. The Vermont legislature had rejected a "right-to-work" bill in 1959 by an overwhelming bipartisan vote.

Keyser used his influence to block introduction of a "right-to-work" law in the legislature during the early months of the 1961 session. But, in the waning days of the session, the "right-to-workers" threatened to introduce the "Oregon amendment" to a fair employment practices bill under consideration by the Vermont House.

"I'm opposed to right-to-work legislation," the governor told a special news conference. "And efforts to introduce it in this manner would not be a proper



way to consider legislation of this scope."

But it was in California, the nation's fastest growing industrial state, where wages and other benefits to workers are among the best in the country, that "right-to-workers" made their most grandiose "back-door" attempt.

In California, the "right-to-workers" did not bother tampering with a civil rights bill as in Oregon and Vermont. Instead, they brazenly tried to sneak a "right-to-work" measure into the basic California labor code that defines state policy supporting the right of workers to organize for the purpose of collective bargaining.

The proposed amendment was an obscure seven-word phrase that, if enacted, would have completely reversed the intent and meaning of stated public policy in California on collective bargaining.

This piece of chicanery was immediately spotted by Thomas L. Pitts, executive secretary-treasurer of the California AFL-CIO, who brought the significance and vindictiveness of the seven-word amendment to the attention of the legislature's leadership. In exposing this attempt, Pitts said:

"I don't think the clever wording of this bill is going to confuse or fool anyone. Its design and purpose is quite obvious. It is a 'right-to-work' bill just as vicious as the detailed proposition submitted to the voters in 1958 and rejected by a million votes.

"What is most surprising is that it should be introduced so soon after emphatic rejection by the voter of the anti-labor concept behind the 'right-to-work' proposal.

"I feel confident that responsible leaders of both the Democratic and Republican parties will condemn the proposal for what it is—another attempt to destroy the constructive and time-tested framework for organization and collective bargaining that exists in California.

"Both parties, I am pleased to note, have declared in their platforms that they support the right of labor and management to negotiate union shop contracts and other union security agreements."

The labor official was correct in his prognosis. The "back-door" attempt was referred to the Senate Labor Committee where it died.

This attempt to impose the "right-to-work" law in

California was introduced in the legislature by Senator John A. Murdy, Jr., a Republican from Orange County, who has a consistent record of supporting reactionary measures.

Political analysts surmised the maneuver was tintured by the hope of revenge by the "right-to-work" forces on the California electorate which twice kept the state's labor-management relations free of compulsory shackles. In the 1958 election, voters rejected the "right-to-work" law by a vote of 2,903,309 to 1,934,911 and swept Republicans who supported the measure out of public office. Earlier, in the 1944 general election, voters also defeated the proposal.

But the "right-to-workers" bag of tricks was not yet empty. In Idaho, they tried still another approach in an effort to upset the will of Idaho's citizens. In 1958 Idaho voters rejected a "right-to-work" referendum proposal at the polls.

Idaho is a great potato growing state and this year the attack in the legislature was aimed at seeking to gain the support of potato farmers for an agricultural "right-to-work" bill. The proposal would not only have outlawed membership in a labor union as a condition of employment of farm workers but would have extended this restriction to all workers in any job of "handling, planting, drying, packing, packaging, processing, freezing, dehydrating, canning, grading, storing, or delivering to storage or market or to a carrier for transportation to market, any agricultural or horticultural commodity, including fruits and vegetables."

An analysis of the proposal showed that in Idaho this measure would have pretty well covered the majority of working people. It would have included all workers in the agricultural processing industry, none of whom are farm laborers in the normal sense. It would have included the drivers of any vehicle transporting farm products, fresh or processed. It could have included the tailor or similar workers handling any material woven in whole or in part from wool.

Here, again, the national origin and pattern of the "right-to-work" drive was clearly revealed. The wording of the proposal was lifted outright from a "right-to-work" measure in Louisiana, which applies to sugar cane workers. The "right-to-workers" introducing the Idaho measure had not even bothered to clean up its wording. In Section 2(a), the Idaho bill contained the word "hurricane." And Section 2(b) contained a reference to "plantations." Neither hurricanes nor plantations are indigenous to Idaho. They are to Louisiana. There were other similarities.

In the legislative debate, Rep. Alvin Joslyn (D), opposing the proposal, put his finger squarely on the origin of the measure. He called it the "Simplot bill," a reference to the J. R. Simplot Company, one of Idaho's major potato processors.

Joslyn reminded the legislators that Idaho's potato growers have organized to protect themselves from

the rapacity of the processing industry. The "right-to-work" bill, he said, was aimed at giving the processing industry the upper hand "at the expense of the farmer."

Rep. John Molyneux, also a Democrat, told the legislature: "I think if you pass this bill you will be doing a great injustice to Idaho. I think the farmers of Idaho have been took."

The Idaho House killed the Senate-passed measure by a vote of 29 to 25. Five Republicans joined with 24 Democrats to provide the narrow margin; three Democrats had shifted to the other side. Among Republicans who provided the crucial votes were House Speaker W. D. (Bill) Eberle and Rep. Alph W. Johnson, a member of the Industry and Labor Committee.

But, across the nation, in Connecticut, a progressive industrial state whose legislature has repeatedly rejected "right-to-work" proposals, the attack was renewed. Here, the anti-labor groups prevailed upon Rep. Richard Noyes, a Republican and extreme conservative who has been an employe of the Hartford County Manufacturers' Association, to introduce two obscurely worded "back-door" amendments to existing legislation as well as a straight-forward, undisguised "right-to-work" bill. Still another amendment was introduced in the Senate by Republican Senator George W. Whelen, who, however, did not appear in support of his measure at the legislative hearing on the proposal. The strategy seemed to be to divert labor's attention with the outright "right-to-work" proposal in the apparent hope one of the other legislative sleight-of-hand proposals could be slipped through unnoticed.

The Oregon "sneaker" cropped up in one Noyes-backed bill proposing amendment of Connecticut's Fair Employment Practices Act. The other Noyes amendment sought to pervert an existing law that protects labor's right to organize by outlawing the notorious "yellow-dog" contract into a "right-to-work" measure by the use of carefully cloaked phraseology.

The Whelen bill, following the same pattern as in California, sought to nullify the state labor law with an obscure 15-word amendment.

Management's interest was more than evident at the legislative hearing on these bills. All but one of the witnesses testifying in favor of the compulsory open shop bills identified themselves as paid executives of organized manufacturers' associations and chambers of commerce. After a full exposure of the intent of these measures before the committee, all four bills were killed.

In Maine, where a "right-to-work" bill was repealed by voters at the polls in a 1948 referendum the "right-to-workers" mounted a frontal attack on a massive scale with a bill that could be identified by all as a "right-to-work" proposal.

Here, the National Right-to-Work Committee came out into the open. But even under these circumstances, where an out-and-out "right-to-work" bill was introduced in the legislature, neither the officials of the National Right-to-Work Committee nor

the head of the "state right-to-work committee" which they set up could play it straight. The activities of both were of such a questionable nature that bipartisan demands were voiced in the legislature for an official investigation.

Reed Larson, a Washington, D. C. office executive of the National Right-to-Work Committee management "front" and an assistant, Glenn Green, a self-confessed member of the ultra-rightwing John Birch Society, moved into the state and set up headquarters at a motel on the outskirts of Augusta, the Maine capital.

The outsiders from Washington persuaded R. Murray Briggs, Presque Isle businessman, to head a state committee called the "Maine Citizens for Right to Work" and a Republican legislator, Rep. Walter F. Tweedie of Mars Hill, to introduce the "right-to-work" bill in the legislature.

The head of the Maine right-to-work group flew to Boston to purchase a supply of President Kennedy's best-selling book, "Profiles in Courage." Back in Augusta, the "right-to-workers" presented a copy of the Kennedy book—which has nothing whatsoever to do with this labor-management issue—to each member of the legislature. At the same time the legislators were given a copy of a book by Senator Barry Goldwater (R-Ariz.), an ardent "right-to-worker."

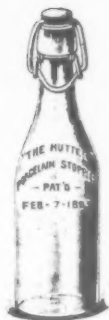
The free-swinging implication of the "right-to-workers" was obvious—they hoped to persuade the Maine legislature that leaders of both major national political parties favored legislation drastically restricting the collective bargaining rights of working people.

But the move backfired on the sponsors. The legislators crossed up the "right-to-workers"—they were so interested in the President's Pulitzer prize-winning book that they read it and found it had nothing to do with "right-to-work" laws or other anti-labor legislation. This made the "right-to-workers" look silly as well as dishonest.

This devious adventure was followed by a second major error that really blew the "right-to-workers" out of the water. Maine has a lobbying regulation law that requires that persons committing any act to influence the passage of legislation, other than testimony before the legislative committees, must register with the office of the Secretary of State. The "outsiders" from Washington ignored the law and did not register. When the conduct of the officials of the National Right-to-Work Committee in Maine could no longer be ignored, both Republican and Democratic members of the legislature demanded an investigation.

Leaders in both parties called for an investigation by the attorney general. The charges caused a sensation in Maine. In legislative action on the "right-to-work" bill that followed, the Joint Senate-House Labor Committee voted nine to one on the bill "not to pass."

The maneuvers backfired in Maine on a straight-forward, recognizable "right-to-work" proposal, just as had the attempts to sneak legislation through the "back-door" in other states over the nation.



by Karl F. Feller

Brewery Workers: 75 Years Young

Several hundred delegates will go to Baltimore this August to celebrate the diamond jubilee convention of the Brewery Workers. It was in Baltimore back on August 29, 1886, that eight brewery workers from a handful of cities met to form our union.

To appreciate their undertaking, it is necessary to consider the times they lived in and the conditions under which they worked. The year 1886 was an eventful one. In Chicago, the Haymarket bombing had brought the struggle for the eight-hour day to shocked public attention. In Pittsburgh, the American Federation of Labor was brought into being.

In Baltimore that year, the birth of the Brewery Workers caused little stir. The Knights of Labor was waning as an effective force in speaking for the working people of the nation. Besides, strong prohibitionist elements within the Knights—extending up to its leader, Terence Powderly—had disaffected many brewery workers who had joined the movement.

The lot of the brewery worker in the United States had been deplorable.

Beer had come to this country aboard the Mayflower. In fact, a growing shortage of beer was given by passengers as one reason for putting in at Plymouth instead of continuing on to Virginia, their original goal.

After the Civil War and the introduction of steam-powered machinery, the brewing industry became big business. Brewery owners profited handsomely but their workers existed under almost intolerable conditions. New York City wage scales were higher than anywhere else in the nation but even there, in the early 1880s, brewery employees worked a "normal" 14 or 18-hour day and six or eight hours on Sunday. For the rest of the time, they were still on call. Wages ran from \$40 to \$55 a month, out of which the owner deducted \$5 a week for board and room and workers had to live where the owner dictated.

Abortive efforts to form unions were quickly

stamped out. A rebellion against inhuman hours and conditions brought on a strike in New York in 1872, only to be put down by police clubs in a pitched battle on 38th Street.

Considered against this background the achievement of the founding members becomes all the more remarkable. Within four months after they formed the National Union of the Brewers of the United States—our first title—their ranks had grown to 4,000 members in ten local unions.

What is even more remarkable is the foresight these pioneers revealed as they put together this union. They were quick to recognize the need for affiliation with a central body and became the ninth union to apply for a charter in the fledgling AFL. The unions preceding them into the federation in 1886 were the Carpenters, Cigar Workers, Coopers, Granite Cutters, Molders, Iron, Steel and Tin Workers, Mule Spinners and the Typographical Union.

The Brewery Workers' charter directed it "to proceed with the organization of the trade." The organizational lines laid down at the founding convention have made us—proudly—the oldest continuing industrial-type union in America today.

It is an interesting sidelight to note that the first publication of the infant AFL, "The Union Advocate,"



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contains a first-page story about the brewery workers that details the "beneficent effect of organization."

Many of the activities that international unions and the AFL-CIO take for granted today were a part of the structure of the new brewery workers' union almost from its inception. International relations, political education, a union publication reaching the entire membership—all these were acted upon within the first two years of the organization's existence.

The German, Austrian and Swiss immigrants who, with the Irish, made up the majority of our union's early membership, brought with them a tradition of unionism. It was our policy from the first to recognize their union cards from overseas and grant them automatic admission without payment of any fee. Further, we encouraged the development of unions overseas among our opposite numbers and sent moral and financial assistance even as we ourselves were building our ranks.

When we were only one year old, our union provided that as a condition of membership brewery workers must take out U.S. citizenship papers "in order to assist in the social and political reform of our adopted fatherland." Each member's citizenship status was examined in October and if he was not shown to be making progress he forfeited his union membership.

Our founding fathers likewise decreed the union publication should go to each member. As a result, we number among our invaluable assets an unbroken file of The Brewery Worker and its antecedent publications—in various formats, to be sure, but a complete chronological link with our very first days as a union.

Nothing was as calamitous to the Brewery Workers as the advent of national prohibition and perhaps no other single union has been more adversely affected by federal legislation than we were with passage of the Eighteenth Amendment.

The prohibitionists had stepped up the tempo of

their dry crusade to a crescendo during World War I with the cry "stop the breweries from wasting the food necessary to feed our army." It availed not at all to point out there was plenty of food to feed our army and our allies, too, and that the clamor came from fanatics, not from our soldiers and sailors.

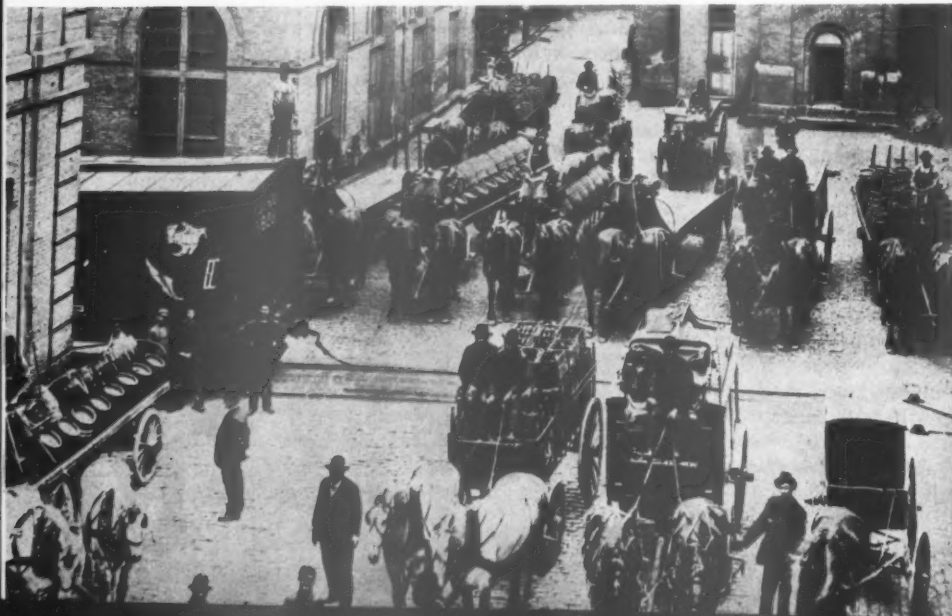
Although billed as a wartime measure, the prohibition bill went to Congress after the Armistice. Thirty-six states had ratified the amendment by mid-January, 1919. Prohibition was effective January 16, 1920 and the Volstead Act, passed over President Wilson's veto, became the law of the land.

The years that followed wrote a sad chapter in American history. From a legal and legitimate orderly business, the manufacture and sale of alcoholic beverages became the property of evil hoodlums and gangsters. The era of the millionaire racketeer was born; public officials were corrupted to permit the illegal traffic to thrive; the speakeasy dispensed poisonous "hooch" and it became the fashion to flout law and order.

A dozen years elapsed and a complete revision of public sentiment was necessary before President Franklin D. Roosevelt, liberal humanitarian and advocate of repeal, was elected. The Twenty-First Amendment, repealing the Eighteenth, became law on December 5, 1933. This ended what President Hoover had so mistakenly described as "the great social and economic experiment" which was "noble in motive and far-reaching in purpose."

Those dozen years of Prohibition were disastrous for the Brewery Workers. Thousands of our members

Unfair "boss brewers" are listed in early AFL publication, right. Below, typical brewery area street scene in early era.



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Brewery Union builders, men of faith and courage: (standing) Adam Kettemann, Philip Magk, Christ Rauscher; (seated) Charles Dieringer, Charles Pommer, Albert Sauer, Adolf Biswanger, founding convention chairman and Frank Zeh.

lost their jobs. Other thousands in related industries also suffered. Our charter, expanded by AFL action, authorized us to organize the soft drink industry and as it was once put, "for years we survived on a ginger ale shoestring."

Our union has never forgotten, nor is it likely to forget, the lessons learned before and during Prohibition. We carry on a continuing program to educate the public to moderate use of any alcoholic beverage and to counteract the propaganda that still emanates from "dry" sources. It is a matter of pride to us that our industry at all levels employs nearly a million and a quarter men and women and pays them wages of nearly \$4.5 billion a year. In addition, the industry provides nearly \$4 billion in taxes to federal, state and local government treasuries.

The Brewery Workers have come far from the period in which our members received miserably small wages and worked unbelievably long hours under wretched conditions. United States government figures show just how far.

In July 1960, according to the latest available statistics, our members in the brewing industry ranked first in average gross weekly earnings among workers in 100 selected industries. These earnings were figured at \$125.33 per week. In average gross hourly earnings, our brewery workers rank third with wages of \$3.11 per hour. This figure was exceeded only by those in building construction work and bituminous coal mining.

We also note with pride that brewery workers in Canada represented by our union command the highest weekly wage rate in Canadian history.

In terms of fringe benefits, our contracts are among the best in any industry and far exceed the national average in most respects. For instance, 49 percent of all our members in the brewing industry receive three weeks' paid vacation after five years of service and 35 percent receive four weeks after 10 years.

Our union pioneered in obtaining a fifth week of

vacation after 20 years of service. This feature started in the malting industry, crossed the border into Canada and now has a two-year start toward becoming the standard in U.S. breweries. One-quarter of all of our membership enjoys nine or nine and one-half paid holidays each year through their contracts.

The Brewery Workers has a substantial membership in Canada. In the Province of Ontario, interestingly, those who make the beer, those who truck it to provincial stores and those who retail it to the public are all members of our union.

In the Province of Quebec, where French-Canadian is the traditional language, our contracts are printed in this language as are the Constitution, stewards' manual and other union material.

While we are known in trade union circles as the Brewery Workers, we are actually a great deal more than that. Thousands of our members are in cigar plants, in distilleries, in soft drink bottling plants, in grain and flour mills or in the plants where yeast or breakfast food is made, in the mills that supply fertilizers to the nation's farmers, in plants that turn out tasty food products.

In short, the world becomes a little more pleasant, a little more zestful for the men and women who sample the products made by the skills and abilities of Brewery Workers—at all the sites where our members are employed.

After 75 years, we face the future with undiminished confidence. We have our problems but we are certain they can be surmounted.

The multi-plant ownership of breweries will put to the test all the lessons learned in three-quarters of a century of negotiating. We can expect a further shrinkage in the number of breweries and a consequent loss of job opportunities.

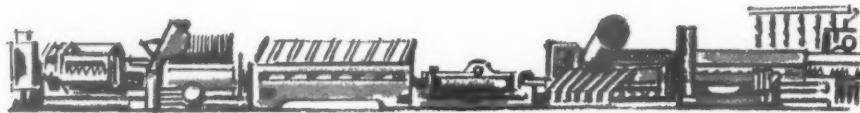
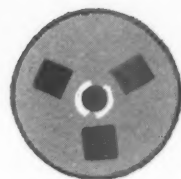
Today, far fewer breweries turn out vastly more beer than did a larger number a generation ago. As an example, 711 breweries in 1936 rolled out more than 53 million barrels of beer. In 1959, 230 breweries produced more than 87 million barrels. Automation, mechanization and radical technological changes are widespread in the brewing industry today.

A new element, reconstituted beer, that may someday be as available as instant coffee or tea has to be reckoned with. This process, inconceivable only a few years ago, is now under study by government agencies after being developed by a chemical company and its implications are similarly under scrutiny by our union and the entire industry.

The strength of our union today is, as it was 75 years ago, in the strength of every rank-and-file Brewery Worker and in the collective strength of his local union. Working together, our local unions make up state councils which are our first line of defense against punitive legislation and unfair taxation of our industry.

And above all, our strength is in our pride as members of a union that has maintained itself with dignity, honor and courage throughout its long and illustrious history.

The Impact of Automation— A Challenge to America



"Things should be changed so that a man my age isn't just thrown out on the garbage heap," said an Oklahoma City worker when plant closings cost the jobs of some 2,500 workers in 1959.

This statement to an interviewer for the Armour Automation Committee reflects automation's challenge for the Sixties: How to change "things" quickly enough to channel the new technology's force toward constructive ends. What has to be done, who can do it and how plans and actions can get underway—policies for solutions and adjustments to automation must be determined and adopted.

A new urgency has arisen. Lessons from automation in the 1950s were merely the ABCs of a much more complex problem for the Sixties. The challenge is now larger in size, more widespread in scope and faster in pace than in the last ten years. What hit the basic parts of the economy during the last ten years promises to spread more quickly to all aspects of our economy and society. What principally affected the miner, the railroader and the factory worker in the Fifties has begun to spread to the office worker, the government employe, the lab technician, the salesman. Even the law clerk and the mapmaker, the nurse and the roadbuilder, the insurance man and the bank employe will feel automation's impact.

All groups therefore must work together with some imaginative thinking and intelligent planning to avoid a "garbage heap." The effort required may well be greater than that needed to bring automated machines and processes into being. Certainly the task is far less susceptible to glamour and wonder about its product, because no gadget can do the job. Yet the objective—a fully employed society with public and private activities geared to progress—is the most important this nation can seek.

The lessons of the Fifties are now obvious: While the labor force was growing at an average rate of 800,000 a year, an economy with new technology and improved efficiency failed to absorb both the new workers and the work-needs of those affected by automation.

From 1953 to 1960, the labor force rose by 6.5 million but employment went up only 4.5 million.

The failure to adjust to a new force, combined with a too slow rate of economic growth, added 2 million more people to the unemployed rolls. Even if the economy had grown fast enough to absorb all those displaced, many specific problems would have needed attention. The two-fold task—to speed growth and provide specific adjustments—was not met in the 1950s.

The miners, the factory workers and the railroad employes—those whose jobs were mainly affected in this period—did not necessarily have the skills for new jobs arising in the economy nor were new job opportunities developing fast enough for the pace of automation's thrust even then.

In seven years, 3 million jobs were lost in mining, manufacturing and railroading. Fulltime jobs increased by only 1.4 million. Much of the new employment was part-time work.

America started the decade of the 1960s with the highest level of production, employment and purchasing power in its history—but also with high jobless rates, large numbers of distressed areas and economic expansion too slow for the economy's needs.

Now a real leap forward is needed—not only to make up for the gap from the past but to provide for the quickening pace, the widening scope of the new technology. In addition, the faster rate of increases in the labor force means some 1.4 million people will now be added to the labor force each year instead of 800,000 as in the 1950s. The rise won't be even, but will accelerate as the decade progresses. In 1965, the number of people reaching 18 years of age will be double the yearly average number attaining the age of 18 in the recent past. The character of the labor force will be changing—more oldsters, more youngsters and fewer middle-aged workers.

The big thrust of automation will push not only into the basic economic sectors but will also reach those fields formerly considered capable of absorbing workers displaced by machines in factories—white-collar occupations and the service trades. What isn't automated may be mechanized further and jobless workers will be just as unemployed, whether the

Labor's



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academicians call it displacement or unemployment, whether its cause is mechanization or automation.

Automation won't wait for answers. Within a healthy, growing economy, the American people can plan and execute in a democratic way specific adjustments to automation at every level, through public and private efforts. Government, business, labor and academic groups have started searching for answers. Amid the answers, tried or suggested, there must be some way to consider areas of responsibility, to decide what must be done and who should do it. Clear-cut divisions of responsibility and activity are obviously not possible, though some separations can be made for the sake of discussion.

Every sector, every layer of government and private activity must participate in solving problems which affect us all. A view of some of their relationships is essential. Flexibility, adjustability and imagination must characterize both the approaches to adjustment and the actions undertaken.

1. The Federal Responsibility

Automation does not recognize state lines. Overall economic growth is a national problem. Thus the environment of rapid growth which is essential and the specific problems involved point to governmental responsibility at the federal level. Neither local and state governmental efforts nor private attempts can achieve a scope sufficient for the size of the problem.

As the Holland Subcommittee on Unemployment and the Impact of Automation recently found, "it is the responsibility of the government to create conditions conducive to economic expansion." It quoted the testimony of such industry officials as Ralph Cordiner of General Electric, who said "both industry and government have a recognized responsibility to help families" in periods of transitional unemployment. Don G. Mitchell of General Telephone and Electronics testified "it is the responsibility of the government to anticipate and to identify those trends which will create chronic unemployment problems in the future and . . . to participate in the solutions."

Clearly, the problems already outlined call for an overall environment of rapid economic growth, at least 5 percent a year, to absorb rapidly rising numbers of new workers and to provide alternative work chances

for those displaced by new technology. No one pretends growth alone will solve all problems. But the lessons of the 1950s show inadequate growth can worsen the problems.

In a democratic society, the federal responsibility is to guide, to plan and to explore. The central government does not control the outcome of all plans but it can affect the activities of the economy.

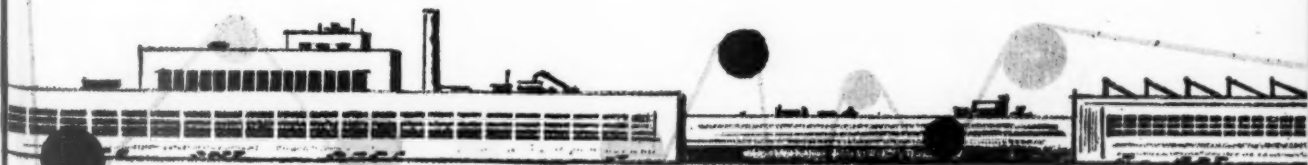
The economic role. At the executive level of government, the Council of Economic Advisers has a mandate to look for necessary targets in the overall economy that would provide healthy economic growth, based on the objectives of the Employment Act of 1946—"maximum employment, production and purchasing power." That means the lowest possible levels of unemployment, the lowest possible levels of idle plants and the most reasonable stability of prices.

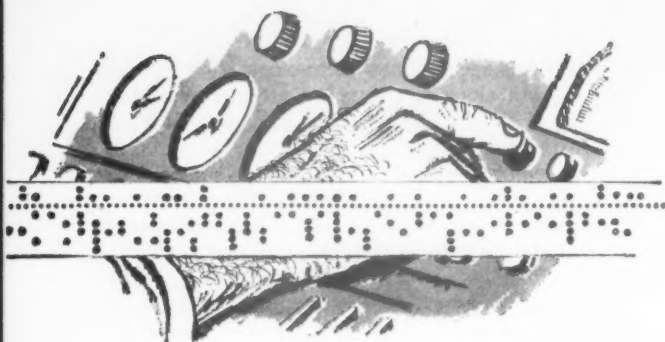
The council cannot and should not direct American economic activities. But a democratic society should have the advantage of expert estimates of the overall requirements in each part of the economy to achieve the goals necessary for a successful technological world. The council cannot know precise figures; the government would not pretend to compel a matching of the economy's performance with an expert's estimates. But businessmen should be able to know what changes in output, in employment, in personal consumption, in business investment and government spending could sustain full employment. Private decisions would be more intelligent if better information were available. Public policy decisions could be more effective if the people as a whole knew the experts' best estimates of the nation's needs. Specific decisions can be based only on widespread understanding and knowledge. Cooperation can be achieved through greater understanding.

At the legislative level of government, the Congress should enact programs consistent with the spurring of maximum employment, production and purchasing power. Federal spending, tax policies and monetary policies should be designed toward that end. Federal wage and hours laws should be designed for the Sixties, not the Forties. At the same time, the Congress should appropriate enough money so the various executive departments could pursue the most effective studies of the needs of the nation in regard to technological change.

Some attempts are beginning in these directions at the executive and legislative levels. They should be expanded, enlarged and coordinated.

Technological surveys. As new as automation may be, the plans are on the drawing boards of some major corporations for introduction of new processes over the entire decade. Yet our success in preparing





for the adjustments to automation will require some knowledge of the skills needed, the kinds of training required and possible labor-management efforts that might be needed.

At the executive level of government, the Secretary of Labor should have studies prepared on the technological outlook—what new machines and processes are planned, which industries will use them, the probable impact on employment, job classifications affected and new skills needed. Studies of this sort must be continuing and subject to review.

Certainly no one would expect detailed information to be made available on a company by company basis. But an overall guide, based on specific information provided confidentially to a government department would serve the nation while not interfering with private competitive organizations.

Information on wages, etc., is now collected for national use on a company by company basis, but is not released to the public except as an aggregate or overall figure. A similar method should be devised to protect both the private interest in these areas but also to provide the public with enough information to determine what new adjustments may be necessary. The Holland subcommittee, in recommending this idea, said "experience with . . . reporting services has shown that individual companies' secrets can be safely protected and that business managements have welcomed the information and made great use of it."

A rough study could and should be made now, using publications on technological subjects. Then more detailed, more effective studies should be prepared periodically to keep abreast of new developments as they occur.

Studies of what will be done with machinery and processes will be the only intelligent source of information for the proper steps for training, retraining and placement. Only by knowing what kinds of changes may come will the nation be able to gauge the overall effectiveness of economic projections. Only by knowing what kinds of displacement will occur, what kinds of skills will be needed can the nation start to prepare for the changes of the next decade. The in-

formation will be obsolescent, of course, because the machines and processes will continue to change. But obsolescent information for the next ten years is much better than no information at all. The direction will be correct even though the details may vary. Without continuing technological surveys and reviews, training for tomorrow's industrial world will be based on guesswork, a dangerous prospect for a technological society.

Continuing review. No aspect of automation or technological change is fixed, except change itself. All information, planning and adjustment mechanisms appropriate for one year may be obsolescent in a very short time. The federal government is, of course, the best level at which to examine and reexamine all avenues toward adjustment. Cooperative action by other groups in society and other levels of government can enable a federal agency to compile pooled information both on what needs to be done and what is being done. The Department of Labor is probably the federal agency best equipped for this task of information gathering, guiding and suggesting appropriate measures. Secretary of Labor Arthur J. Goldberg has taken a first step in this direction by establishing an Office of Automation and Manpower within his department.

A labor-management panel on technological change could continue to examine and review automation's social and economic impact.

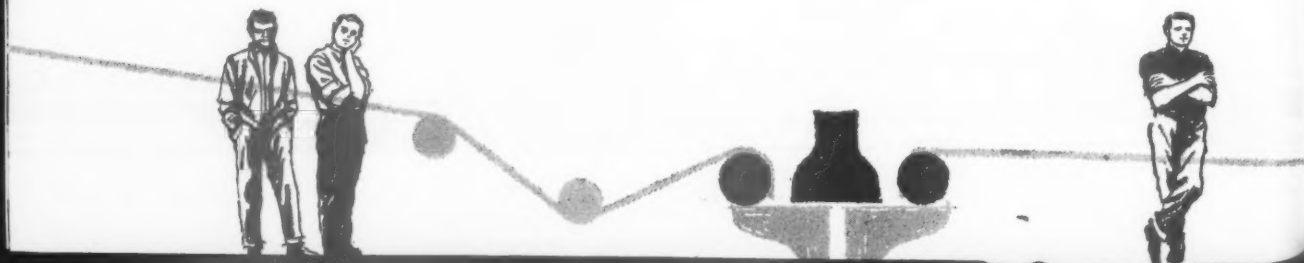
Congressional review also is needed on a continuing basis. Frequent reexamination of legislation, of administrative developments, of necessary changes, can make the legislative action more meaningful in a technological world.

The framework of federal responsibility at the federal executive and legislative levels is therefore a very real one. Like every aspect of automation, however, it does not operate in a vacuum or produce a definite necessary effect. These federal responsibilities must be meshed with federal-state-local responsibilities and the latter must have a healthy relationship with private, labor-management, business, labor and community activities. The concepts of continuing review with continuing coordination must be recognized as paramount to the proper federal role in all programs prescribed for changing national problems incident to technological change.

2. Federal-State-Local Cooperation

With greater knowledge of needed skills and changing conditions, the various levels of government must find ways to help provide the kinds of training the new technology requires.

Tomorrow's workers will require training for to-



morrow's jobs, but the training must start today. The young and the old will need counseling and guidance, training and retraining. Business will, of course, continue to retrain workers but the scope of necessary activity exceeds its ability or responsibility.

Some legislative proposals for training the young, for retraining, for payments while retraining, have been introduced in this Congress. They are largely designed as first steps to help solve this complicated, constantly evolving problem.

Training. The actual programs for vocational, technical and apprenticeship training will depend on local efforts by states, communities, unions and employers. But the federal government must give strength to the modernization and strengthening of these programs through financial and technical assistance, coordination and guidance.

The federal programs' framework exists within the Department of Health, Education and Welfare for vocational training and within the Department of Labor for apprenticeship training. Both need reexamination and strengthening. The federal government should provide adequate grants-in-aid and technical assistance to states for vocational and technical preparation for an automated economy.

Retraining. Retraining calls for additional programs and extensive cooperation at all levels. It requires more exploration into the psychological needs of the displaced worker to find out ways to convince him that retraining will not only be possible for him but profitable for everyone concerned. Successful retraining, like the basic reshaping of the education programs, depends on exploration of the biggest question in the field of automation—retraining for what? The necessary kinds of skills, degree of training, the upgrading or downgrading of already acquired skills—all these and many other factors are unknown except in haphazard instances in individual company cases. Coordination at every level, understanding based on review at the executive level and a will to learn must all be meshed in an effective examination of what is needed and how it should be done if tomorrow's workers are to fill tomorrow's needs.

While retraining is underway, unemployment compensation for the displaced worker should be available. Several states have begun to move in that direction and some federal legislation, proposed and passed, deals with this problem. The area redevelopment bill would provide such help for displaced workers in distressed communities. Extension of this general idea should be incorporated in the federal unemployment compensation law, along with the necessary improvements in terms of federal standards for duration and level of payments. A nationwide system for partial income maintenance during retraining for displaced workers may require federal incentive grants to the states. The needs are varied, possible programs are numerous, but effective measures must be devised by those skilled in planning wise programs for unemployment compensation.

Employment service. With the need for increased mobility of labor in a technological world, with the growing prospect of demand for skilled technical administrative and professional employees, the United States Employment Service needs to improve its functions. Administrative actions by the Department of Labor can steer USES toward its proper role as a modern and effective job placement agency but federal action will not be enough. State legislative and administrative improvements are also needed.

Today, employment service offices, practically speaking, are managed by the states. They concentrate on the unemployment insurance system. Their job placement efforts are limited by ineffective coordination among states, lack of information and lack of funds. Useful and important nationwide coordination for a nationwide problem require reshaping of both the theory and the practice of today's employment service. It must become a service agency for counseling and placement, with its federal-state character used to improve its performance rather than being allowed to hamstring its effectiveness.

All levels of government must cooperate toward this end—with both federal and state legislative and administrative measures designed to fill job openings with those who are trained for and need those jobs—regardless of where they now live. The Holland subcommittee report, the Armour Automation Committee report and other statements on automation indicate a widespread acceptance of this need.

Distressed areas. All programs must have concern for automation's constant companion—the areas of chronic distress. Every governmental level, every private, local effort must consider the hundreds of communities whose economic health has suffered from shifts in industry location and changes in new technology. Here America's new industrial life has threatened economic destruction.

Federal action—in cooperation with the states—is already outlined in the area redevelopment program, a first step in the right direction. Here the federal role is that of a catalyst, energizing programs with state and local cooperation. Private action and support are essential for the success of the program.

But this first step needs constant review. A little experience with this experiment—already long overdue—could point to important future improvements.

The main need is the understanding that this program must be meshed with other activity—to improve the mobility of workers—their chance to move from one place to another—to improve the levels of training for those who stay or leave and a whole host of interesting programs necessary for American industry, community life and workers. Possibly a future step might be relocation grants or loans, a better placement agency and a training system worthy of a rich industrial country.

The scope of the attack should match the scope of the problem. Federal, state and local governmental action can supplement or enliven local private or community activities, labor and management groups and

citizens' committees. Few private or local groups can move forward without outside federal or state financial or technical assistance. The problem means much more than merely bringing industry to a given area. Educational standards in the surrounding area, recreational facilities and other not clearly industrial factors are needed to insure the overall economic health of the community and to keep skilled and trained workers in the area as well as retraining those who need it.

Older workers. Just as distressed areas legislation becomes a necessary adjunct of attempts to deal with automation, the increasing problem of adjustment for older workers takes on new form in a technological world. There is a difference, just as in the distressed area problem—a difference in kind, in size and in relationship to the overall problem. Special measures for this special type of dislocation are required.

In addition to all types of relocation and training programs, special efforts are needed for federal coordination directed toward two areas distinctly separable as problems of the older worker.

First, the older worker's psychological and occupational needs are different from those of younger workers. Meaningful research is essential to find ways to convince the older worker of the possibility of retraining and insure useful retraining adapted to the older worker's problems. Coordination by a federal government agency of research and programs in this area is necessary in light of the widespread national problem.

Second, government information and guidance for reengineering of jobs and maintenance of employability patterns for older workers are essential. It is true the actual efforts will be made at other levels—labor-management negotiations, placement in terms of employment services. But the public understanding, both on the part of the employer and the worker himself, necessary for effective utilization of the growing proportion of older workers, can come only from widespread efforts by the federal government to know and to explain the ways older workers can maintain gainful job opportunities. Even publishing records of successful methods already attempted would be helpful.

The specifics will take time to work out. They would include studies of the feasibility of early retirement for those who wish to do so, of mixed or semi-retirement provisions, of income maintenance methods.

Any legislation, any efforts of this type, will have novel and experimental aspects. Senator Joseph S. Clark (D-Penna.) has sponsored legislation to provide training, with priority given to workers over 30 years of age, heads of families with not less than 5 years' experience at work. In a changing technological world, the 30-year-old may, in fact, be considered an older worker whose skills are becoming or have become obsolescent.

An unusual approach, which needs exploration, could be some form of a partial retirement system for older workers during recession. For example, a provision could be made for older unemployed workers,

aged 60-65, to receive retirement benefits after unemployment insurance benefits have been exhausted whenever the unemployment rate nationally exceeds a specified percentage. Such a program would help maintain income for older jobless workers.

Early retirement itself has become the subject of wide discussion and some exploration has been started. But emphasis on such a program should be directed toward opportunity rather than compulsion, toward better retirement programs, both private and public and toward better job opportunities for those whose chronological age is not necessarily decisive of either abilities or desires. Science has enabled man to live longer with more vigorous abilities and programs for the older worker should implement rather than work against effective developments in science. Forced joblessness for the elderly is contradictory to the aims of maintaining health and vigor and extending the life span.

None of the new or novel approaches should interfere with long-standing programs. The social security, unemployment compensation and vocational training programs now in existence obviously need strengthening, improvement and some changes. But supplements to these programs for specific needs call for some imaginative and worthwhile efforts at the federal level, at the state level and in the labor-management negotiations at the workplaces of the nation.

3. The Federal Relationship to Collective Bargaining

Federal programs must have practical relationships with activities at other levels of government and also with the world of collective bargaining relationships.

Shorter hours. A practical solution for shorter workweeks has not yet been found. A flat reduction in the hours provisions of the Fair Labor Standards Act should remain under consideration—perhaps become a necessity. The typical 40-hour week of the present law may not be appropriate for the world of the Sixties and Seventies. Perhaps a flexible formula for hours reduction legislation would be more realistic than a flat overall one-step jump from 40 to, say, 30 hours.

A realistic appraisal of historical trends shows standard working hours have been reduced as productivity rose and manpower needs went down. Obviously, automation will work in the direction of accelerating this trend.

Changes have resulted from both legislative efforts and specific collective bargaining arrangements. There is no need to insist that one or the other is the only possibility in a given situation. Both may be needed in varying degrees in varying applications to make the hours worked bear some relationship to other economic factors in a given market or a given industry.

Obviously, unless economic growth expands very rapidly and unemployment declines sharply, the Fair Labor Standards Act will need amendment to bring the hours requirement downward.

The government's role in the area of shorter work-

weeks, however, is not limited to legislation. It can provide positive information about market, production and other factors which will be useful to those who meet at the bargaining table.

In labor-management negotiations, provisions for shorter workdays and shorter workweeks already have had some experimental results. More efforts will be made—efforts to find the best way to reduce hours requirements in the most effective way for the industry or workers concerned. A shorter workweek, extended vacations, more holidays, a paid "sabbatical," all have been suggested. Some have been tried. The government can examine some possibilities for certain labor markets or industries. The negotiators can determine the most practical way to reduce hours through collective bargaining if they know the conditions of the industry or their particular labor market.

Collective Bargaining. The government also has a responsibility to encourage collective bargaining solutions for specific problems rather than interfere with this adjustment mechanism. Such encouragement could take the form of information, public attention on specific industry and labor developments or technological and other surveys of a general industry.

Workable solutions should be determined as much as possible through bilateral discussions between workers and management. Every item listed in the foregoing sections includes a reference to a problem that has been met and will continue to be met through collective bargaining in specific situations. Provisions for older workers, retraining, studies and reviews—all these and other responsibilities of government have also been and will continue to be private responsibilities for specific situations. One must not supplant the other, but both public and private policies must supplement each other.

Certainly the most effective precedents have been developed by unions and employers who have sought at the bargaining table to find ways to cushion automation's impact. These precedents have dealt with problems which affect a specific plant or business but also in the long run affect the public wellbeing and the nation as a whole. Government encouragement of voluntarism is a must in a free society but voluntarism does not discount the need for effective action at governmental levels when situations call for it.

4. Labor-Management Responsibility

Collective bargaining can solve many problems at the workplace, in the plant, company or even the industry where automation is introduced. Joint labor and

management efforts have brought about more successful adjustments to automation than any efforts made by community groups or governmental agencies at any level. Practical answers for practical problems are the aim of negotiators who seek a just outcome for complicated changes in skill requirements, employment patterns, retraining needs and all the other new developments that arise when new processes and machines are introduced.

But collective bargaining responsibilities have two limitations. First, collective bargaining can affect directly only those concerned by it. It can solve the problem of the machine tender who is retrained after the new machine is installed but it cannot solve long-range problems of those displaced by new machines. Second, bargaining cannot affect the problems of those not yet hired or those whose potential employability has been snuffed out by the new process' overall effect on employment or skill requirements. In other words, collective bargaining can extend its efforts to meet certain kinds of responsibilities but the rest of society must be willing to assume responsibility at various private group and governmental levels for problems that go far beyond the individual workplace and/or industry.

Nonetheless, joint labor-management determinations mark the only solid achievements in finding answers to automation's impact. The agreed-upon mechanisms can serve as useful precedents both for other bargaining and for more widespread solutions.

The Washington Agreement, negotiated in 1936 by the railroad companies and unions, marks an early example of collective bargaining's effectiveness and limitations for the kinds of problems now caused by automation and technological change. Limited to changes incident to merger between railroad companies, this agreement provides some far-reaching precedents—it bears watching as a major contribution to constructive thinking about automation adjustments.

The agreement includes: 1. Displacement allowances based on seniority. The displaced employee receives 60 percent of average monthly pay for the previous 12-month period for as long as six months for the low-seniority employees and up to five years for employees with 15 or more years of service. 2. Job protection against downgrading of wages and working conditions for five years for employees retained. 3. Moving expenses for employees who keep their jobs but must move to a new location. The moving expenses, costs of the employee and his family's living



expenses while relocating and the losses from forced sale of homes are paid.

Though not designed for adjustment to technological change, such provisions typify some sensible precedents for dislocations, job changes and downgrading which accompany the new technology.

More recently, what could be called the fund approach to automation and technological change has developed in a wide variety of forms. Perhaps the most comprehensive of these have emphasized automation itself, though negotiated fund approaches have been directed to almost every type of adjustment problem over the years.

Automation funds established in the meatpacking and longshore industries are earmarked for study of and/or payment for specific adjustment mechanisms. The Armour-Packhouse-Meat Cutters agreement in 1959 set up an automation-study fund to investigate and propose additional and improved methods of solving automation and relocation difficulties.

These comprehensive attempts to look into and recommend answers for a new world of technology in specific industries have made some progress. Assessment of their overall gains must await the judgment of history. But the procedure is there: The Armour fund will build up to a half million dollars from contributions of one cent per hundredweight of products shipped from plants represented by the Packinghouse Workers or Meat Cutters. Training programs, transfer possibilities, employer experience and job opportunities have been the subject of study. Initial results of the retraining experiment, for example, have occurred during recession. As everyone knows, retraining in a world of recession and declining job opportunities cannot show the same results as retraining in a situation where the economy is expanding.

The Armour Automation Committee made a progress report in June 1961. The tripartite group, created by collective bargaining in 1959, recommended six points, none of which dealt with collective bargaining in the meatpacking industry because of the imminence of contract negotiations. The committee recommended adequate economic growth as the only possibility for successful adjustment to automation, a study of all education programs, improvement in the employment services, relocation and retraining benefits for workers, improved unemployment compensation laws, a study of integrating public and private pension systems. It also urged consideration of optional early retirement and cooperation between government and private organizations in the meatpacking industry to study

ways to improve the health and growth of that industry.

Though the union representatives joined in the overall report, their supplementary statement stressed the need for "a greater sense of urgency" and fear that "the suggestions . . . may well be too little and too late at this point in history." Their exceptions to the main report were basic, concerned with evaluation not only of the impact of automation on the meatpacking industry and on the entire economy but also on the "responsibilities of democratic government" for the creation of full employment in a free enterprise economy.

The longshore funds are set up for actual adjustment procedures, with payments to be made to assist workers during periods of transition. Results of this new attempt are not yet determinable but the idea has spread as a useful and attractive mechanism.

In every industry, collective bargaining has developed some answers—some useful and effective, others more temporary stopgaps, none large enough for tomorrow's needs. Public utilities, chemical, auto, steel, electrical manufacturing, breweries, oil refining, offices and food packaging—all these industries have experimented with adjustment mechanisms. Viewed intelligently, these mechanisms can be useful not only for future bargaining but also for future policymaking at both the public and private levels of our society.

Generalizations about collective bargaining gains are dangerous because each problem calls for, each adjustment results from, practical, specific, two-way negotiations for a certain purpose. These precedent-setting ideas, however, stand out as the only available forerunners for future adjustment mechanisms. The following list includes some useful procedures already established and indicates their value as initial efforts toward solutions for problems at the workplace.

1. Advance notice. Preparation for change can mean the reduction of unnecessary problems both for workers and for management. New machinery requires prior knowledge and joint planning with the union can permit scheduling of the introduction of such equipment during periods of high employment. Other planning can make it possible for reduction in the size of the workforce to take place gradually through attrition rather than through layoffs and also for proper time allowances for retraining employees.

2. Transition safeguards. Collective bargaining and labor-management cooperation can and should provide some safeguards for employees during transitions from old methods to new. Fair and orderly procedures



for layoffs, rehiring, transfers, promotions, retraining opportunities and changes of job classifications and wage rates are essential.

a. Retraining. At the collective bargaining level, seniority and other procedures can be worked out to make eligibility for retraining fair and reasonable. Provisions can also allow time-off for specified retraining periods, for compensation during the time of retraining and for other aspects that will be helpful to those who must get acquainted with new skills.

b. Financial cushions. Financial help should be provided for laid off employees through severance pay or supplemental unemployment benefit provisions.

c. Job changes. Whether jobs are upgraded or downgraded through automation depends on the type of equipment installed and the requirements of the new jobs. Job-and-wage protection are needed in collective bargaining agreements for those whose jobs are changing. Joint negotiations are the most effective procedures for determining the rates of the new job, the procedures for the experienced worker moving to the new job and for the newly hired workers who are assigned to the technological job.

d. Transferability provisions. Workers need to have the benefit of negotiated seniority and financial help provisions to enable them to change to a different plant of the same company when technological change causes relocation of a department or even a whole plant. The chance of change to the new job in the new area and the chance to move one's family can be enhanced by provisions for seniority and financial help.

3. Older Workers. Special efforts are needed both in pension planning and job engineering to provide for older workers' special problems. Some workers who find adjustment to new machines difficult may not have reached retirement age. Pension plans may need to provide for voluntary retirement at an earlier age.

4. Pension plans. Transferring from one plant to another or from one company to another within the same industry or area may require changes in pension plans so rights will not be lost through change in locations.

5. Wage structures. The new technology obviously calls for changes in job titles, wage structures, job contents and responsibilities; rising output and more expensive equipment call for upward revision of wage rates. The new machines also call for reexamination of wage incentive systems and job evaluation plans—automation may show they need revision or even destruction in some instances since the new technology does away with so many conditions formerly subject

to industrial engineering approaches.

None of these collective bargaining efforts is particularly new or startling. Each has been a practical attempt to find a satisfactory answer to a most perplexing problem. None exists in a vacuum. But these represent far more effective, original and practical efforts than other groups in America have produced for a problem which concerns everyone.

Much more needs to be done, at the bargaining table, at the conference table and in the halls of Congress and state legislatures. Collective bargaining has not produced enough, perhaps not as much as it can. The progress has been limited and far from its goal. But the record is good as an example of limited approaches, a start in the right direction.

The overall record of adjustment to technological change so far is one of failure. The federal government, the state governments, the local private organizations in this country have not measured up to the task. Even in collective bargaining, where at least some progress has been made, not enough has been done.

The Holland subcommittee report, "Impact of Automation on Employment," gives ample evidence of the many congressional committee investigations and continued study of automation as well as some recent activities in the Department of Labor. The subcommittee asked for testimony on action programs to deal with automation problems. The resultant report recognizes the necessity for economic growth, special problems from automation, the urgency of the challenge, the need for additional action within existing governmental agencies, if possible and the importance of effective administration of programs. Most of the reports' recommendations involve programs that would fall within the scope of responsibilities generally described in this article.

Obviously the Congress, the Administration and the nation are starting to "move forward" on this issue. The major question for today and tomorrow, however, is whether the action taken in the near future will move quickly and extensively toward meeting the major problems of this decade. In the words of the Holland subcommittee report, "it was almost unanimously accepted by management, labor, government and university representatives that the present high level of unemployment is the most pressing domestic problem facing the American economy in 1961." The time for new answers to this problem has already passed but the answers and actions for the rest of this year and future years will determine how well our society measures up to the major challenge.





U.S. Incomes Up —But Who Gets What Share?

The annual study of family income trends in the United States by the Office of Business Economics of the Department of Commerce is one of the most important statistical undertakings of the federal government. Its release each spring is an event of major importance. However, while monthly figures on unemployment and living cost trends, for example, are front page news—or should be—the vital story about how 56 million American families are faring as revealed by the personal income report gets little press attention.

Yet no economic facts so clearly reveal the buying, saving and taxpaying abilities of American families. Because these facts help us understand how the economy has performed and what must be done to improve it, this government report deserves widespread public attention.

The latest personal income analysis is particularly significant for three reasons: It reports the encouraging news that average family income rose again in 1960. (In the Commerce study, the term "family" includes both multi-person and single-person families.) Yet it also reveals a startling disparity between the income shares of families at each end of the ladder and, even more significant, a continuing deterioration of the share of the lowest income fifth. Finally, for the first time it examines postwar capital gains and reveals their vast magnitude and high concentration among the highest income families.

Because of the insights gained about family income trends and the implications of these findings, let us summarize them briefly.¹

In 1960, average family income—in current dollars—reached an all-time peak of \$6,900. What is more, writes Sylvia Porter—one of the few business columnists who noted the income report—the average will surely top \$7,000 in 1961.

All of us can justifiably be proud of this continuing

¹"Survey of Current Business," U.S. Department of Commerce, Office of Business Economics, May 1961, pp. 11-21.

ECONOMIC TRENDS AND OUTLOOK



rise. To maintain our perspective, however, it is well to be aware of the limitation of "averages."

In the first place, the average is always pulled sharply upward because of the impact of the very high incomes at and near the top. However, when the income "median" is computed—the measurement which cuts right across the middle with half of all our families above and half below—the picture is considerably changed. According to the Commerce study, the median income in 1960 was \$5,600 compared to the \$6,900 "average." What is more, it should be remembered that both of these measurements are before taxes.

Nevertheless, both the averages and the medians have been rising during most of the postwar years.

From 1947 through 1960, the average family income—measured in current dollars—rose annually, except for the recession years 1949 and 1954 (Table I). The total rise over the 13-year span was 67 percent.

When family income is computed in "real" dollars—which take account of the cost of living rise and measure what it actually will buy—the growth was less than 29 percent. By this more realistic measurement, a fall-off in average family income occurred in 1948 and in 1958, as well as in 1949 and 1954.

TABLE I

"AVERAGE" FAMILY INCOME BEFORE TAXES

1929-1960

Year	"Average" Income Per Family	
	In Current Dollars	In 1960 Dollars
1929.....	\$2,340	\$4,190
1947.....	4,130	5,370
1948.....	4,350	5,350
1949.....	4,170	5,180
1950.....	4,440	5,440
1951.....	4,900	5,630
1952.....	5,120	5,760
1953.....	5,390	6,000
1954.....	5,360	5,910
1955.....	5,640	6,190
1956.....	6,010	6,490
1957.....	6,240	6,550
1958.....	6,290	6,470
1959.....	6,610	6,730
1960.....	6,900	6,900

Source: U. S. Dept. of Commerce

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Nonetheless, since 1947 a marked upward sweep has been raising incomes along the entire income scale. By 1960, for example, 67 percent of all families had real incomes—before taxes—of more than \$4,000, compared to 54 percent back in 1947.

From 1947 through 1960, average real family income rose 1.9 percent annually, according to the report. Between 1952 and 1957, however—and despite the setback of 1954—the United States enjoyed a yearly average rise of nearly 2.5 percent.

Raising the output of the American economy and at the same time achieving a broad sharing of our increasing abundance are both accepted national goals. However, income “averages” do not help us gauge the extent of our progress toward the fulfillment of our second goal.

Fortunately, the Commerce study not only reports the income averages but also tells us how income gains have been shared during recent years. Our progress in this respect is not reassuring.

Although the proportion of American families who live in poverty or on its fringe continues to go down, the total still remains indefensibly high.

According to the study, in 1960 there were 7.2 million families—13 percent of them all—existing on incomes of under \$2,000. Although Sylvia Porter writes there probably were few wage-earners among these families, this is by no means the case.² Nor is it true that low income of many rural families within this group is due to failure to take account of the value of food and shelter provided on the farm. Actually, the money value of these items already has been included in the Commerce income total.

In 1960, \$385 billion in personal income was received by America's 56 million families, according to the report. However, the 13 percent of our families with incomes under \$2,000 received only 2 percent of the total.

By way of contrast, the 3.4 million families with incomes in excess of \$15,000—6 percent of them all—received \$86 billion. Their share was 22 percent of the family income total.

In order to provide a further insight into how the family income pie is being shared and how these shares are changing over the years, the annual Commerce studies also divide all families into fifths by income size, from the lowest to the highest. In addition, the income share of the best-off 5 percent of our families at the top is also determined.

In the most recent Commerce report, these family income shares by fifths are given for the years 1955 through 1959 and provide a wealth of startling information. A breakdown appears in Table II.

In each year the share of the lowest fifth was less than 5 percent of total personal income while the highest fifth received over 45 percent. This inequitable

distribution between families at the bottom and at the top reveals the same extreme income disparity as the 1960 breakdown just discussed.

Even more significant, it is apparent a trend in the wrong direction now is underway. The disparity is growing greater, not lesser. While the average income of the families in all income fifths has been rising, the proportionate share of the 60 percent in the three lowest fifths, the moderate income and poorest families, has been tending downward. Except for families in the top 5 percent—whose income, as we

HOW FAMILY INCOME WAS SHARED IN 1960

\$86.1 BILLION

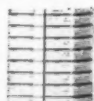
7.2 million families at the bottom with income under \$2,000



3.4 million families at the top with income over \$15,000



\$8.1 BILLION



2% OF TOTAL PERSONAL INCOME

22% OF TOTAL PERSONAL INCOME

* Excludes Profits from Capital Gains—Source: U. S. Dept. of Commerce.

²For an analysis of the causes of low family income read "America's Haves and Have Nots," AFL-CIO Labor's Economic Review, August 1960.

shall see, is actually understated—the greatest proportionate gains are being made by those who already are best off.

On the basis of the income share findings, it hardly can be said the accepted goal of a fairer distribution of our abundance is being realized. Actually, we are moving in the opposite direction.

Some loudly proclaim the federal income tax with its steep progressive rates outrageously “levels down” the after-tax incomes of the wealthy. A vast redistribution of income is being imposed by Washington, they maintain. However, Table III, which shows family income shares both before and after federal taxes proves this claim is more fiction than fact.

According to the Commerce findings, the federal tax collector hardly increases the income share of the families at the bottom at all and only slightly cuts into the share of those at the top. What is more, the effective tax rate on the 1959 incomes of the wealthiest 5 percent was actually less than 20 percent.

For those familiar with the devices discovered by families with substantial incomes—or by their lawyers—to minimize the effect of high tax rates, this fact comes as no surprise.³

What is more, a proper analysis of after-tax income shares should take account of state and local levies—which notoriously take proportionately more from those least able to pay—as well as of federal taxes. Unfortunately, the Commerce study ignores the effect on family income shares of the primarily regressive sales, property and payroll taxes which hit poorer families hardest.

Probably the best insight into the fact behind family income “averages” can be obtained from Table IV, which also is based on the findings of the latest Commerce study. It shows how the 1955 to 1959 rise in real spendable family income across the nation—income after federal taxes and adjusted for the living cost rise—was actually distributed among various groups.

Families in all of the income fifths enjoyed some improvement in their real spendable income status during the course of the four-year span. For the mythical “average” American family, the rise totaled 7.8 percent. The rise for families in the fourth and highest income fifths, however (except for the top 5 percent) was substantially larger. Yet it was they who needed it least. On the other hand, the rise was below the average for the lowest three fifths. And, for the poorest fifth at the bottom, whose needs are the greatest of all, it was only 2.1 percent.

Moreover, the inequity becomes even more extreme when these percentage increases are translated into real dollar gains.

Between 1955 and 1959, the spendable income rise of our mythical “average” American family was \$440. The rise for the highest income fifth, however, was

³For a further discussion of this subject, see “Tax Reforms Long Overdue,” AFL-CIO Labor’s Economic Review, January 1961.

TABLE II
HOW FAMILY INCOME WAS SHARED, BEFORE TAXES,
IN 1955, 1957 AND 1959

Families by Fifths	1955 (%)	1957 (%)	1959 (%)	Average Income Per Family in 1959*
Lowest	4.8	4.7	4.5	\$ 1,500
2nd	11.3	11.1	10.9	3,580
3rd	16.4	16.3	16.2	5,370
4th	22.3	22.4	22.7	7,500
Highest . . .	45.2	45.5	45.7	15,110
Total	100.0	100.0	100.0	\$ 6,610 Average
Top 5% . . .	20.3	20.2	19.9	\$26,330

* Profits from capital gains are excluded.

\$1,140; on the other hand, the income gain of the bottom fifth was \$30.

These disquieting facts—both about the disproportionate family income share received at the bottom and the top and about the disturbing downward trend of the tragically inadequate share of the lowest fifth—are totally obscured when only income averages are being discussed.

Yet, the facts behind the facts—available to everyone—are almost completely ignored. Not even Sylvia Porter delved into the vital question: “Who gets what share?”

Further valuable information about personal income distribution in the United States is provided by the latest Commerce report because it analyses the impact of capital gains on family income shares for the first time.

It is widely known that billions of dollars in profit have been made during the postwar years through the sales of corporate stock and real estate. Income of this sort is called a capital gain. It is not generally realized, however, that these billions of dollars are omitted from the yearly official computation of personal income by the Department of Commerce.

Yet, “from some points of view . . . receipts from such sources may be meaningfully included in the size distribution of income,” the latest report acknowledges.

Several good reasons for capital gains inclusion are conceded. In the first place, those who enjoy capital gains “seldom distinguish between receipts from these sources or from others. . . .” Even more important, “in some instances the distinction between capital gains and losses and other income sources is itself obscure—for example, the use of stock options (by corporation executives) in lieu of compensation and the realization of persons’ accumulated equities (undistributed profits) through capital gains.”

As Professor Harold Groves of the University of Wisconsin aptly pointed out in testimony before the Congress, “much of what in the usual course of business would be ordinary income can be converted into capital gains.”

TABLE III

HOW FAMILY INCOME WAS SHARED IN 1959

Before and After Federal Taxes

Families by Fifths	Income Share Before Tax	Tax Rate on Income	Income Share After Tax
Lowest	4.5%	3.3%	4.9%
2nd	10.9	5.8	11.4
3rd	16.2	7.3	16.8
4th	22.7	8.6	23.1
Highest	45.7	14.0	43.8
	100.0%		100.0%
Top 5 Percent ...	19.9%	19.7%	17.8%

The rise in capital gain income has been spectacular, and for understandable reasons.

Because the maximum federal tax rate on this type of profit is only 25 percent, capital gains have become a preferred income source for those in the upper brackets. (The 25 percent maximum rate is a far cry from the maximum 91 percent rate which is widely assumed to be levied on those with the highest personal incomes.) Equally important, postwar inflation has provided the opportunity to realize enormous speculative profits from the sale of stocks and real estate since the end of World War II. Thus, both incentives and opportunities have combined to maximize the realization of capital gains.

For 1958, according to the Department of Commerce, approximately 3.5 million income tax returns reported capital gains and they accounted for actual realized gains of about \$9.5 billion. In 1959, according to preliminary data, realized gains approximated \$14 billion.

Although the number of tax returns reporting capital gains "constitute less than 6 percent of all returns, there are marked differences in the proportion of such returns at the various income levels," the Commerce report pointed out. At the lower level they are insignificant but at higher levels "capital gains become dominant and are often, indeed, a primary reason for classification at such high levels of income."

In order to gauge the impact of capital gains on family income distribution, the Commerce study provides tables for 1958 which both excluded and included this form of income. When capital gains were included, the income share of the highest fifth alone went up. For the 5 percent of our families at the top, the inclusion of capital gains increased their income share from 19.9 percent to 20.3 percent of the total.

Thus, it is evident the official personal income statistics of the Department of Commerce—which still exclude capital gains—understate the actual income share of the wealthiest families at the top.

What is more, so-called expense accounts used for lavish personal outlays do not show up in the Com-

merce income totals. Nevertheless, this unreported personal enjoyment of company cars, planes and hunting lodges and the patronage of plush restaurants, night clubs and theaters runs into hundreds of millions of dollars each year. Most of this luxurious living—at company and U.S. Treasury expense—is enjoyed by members of our highest income families.

In conclusion, five major observations can be drawn from the latest Department of Commerce family income findings.

1. We can be justifiably proud of the general advance in average family income which has characterized most postwar years and is continuing. Yet, the overall rise generally has not been sufficient to utilize America's capacity to produce nor to meet the urgent needs of millions of our families.

2. Family income growth is reflected at all levels along the income scale. Nonetheless, the continuing income disparity between millions who by American standards are still in poverty and the affluent families at the top, is indefensible. In fact, official statistics understate it.

3. Even more disturbing, the tragically insufficient income share of the lowest income fifth is tending to fall further. If a broad sharing of our abundance is still a national goal, we have been moving in the wrong direction as far as our neediest are concerned.

4. While, indeed, family income averages must rise more rapidly, public and private policies must be vigorously pursued to insure a greater than average rise for the moderate and lower income fifths. Their needs are the greatest and their increased buying power will be a major stimulant for expanding production and employment.

5. All public services are an ultimate charge against personal family income and, if rising national security and civilian public service needs are to be met, personal sacrifices must be borne by all. However, all taxes—federal, state and local—should truly reflect the varying abilities of all families to bear a fair share of the load.

TABLE IV

THE RISE IN REAL FAMILY INCOME, AFTER
FEDERAL TAXES — 1955 THROUGH 1959

Families by Fifths	Percent	In 1960 Dollars
Lowest	2.1%	\$ 30
2nd	2.9	100
3rd	6.2	300
4th	9.9	630
Highest	9.4	1,140
Yearly Average	7.8%	\$ 440
Top 5 Percent	5.4%	\$1,100

The Economic Keys To Effectiveness In Local Bargaining



How does a local union leader prepare for collective bargaining with management? It depends on his past experience, the employer's attitude, the types of workers and industry involved, his ability and personality and many other factors.

But one fact has become increasingly evident in recent years: most local union representatives try to gather and familiarize themselves with economic information which may be significant for their negotiations. They have found such factual preparation can be helpful for effective, intelligent bargaining.

Awareness has grown that, unless efforts are made to get at least certain information, the union bargainers may be operating somewhat blindly. How does an officer know how well his union's members are doing if he does not find out specifically what other unions have negotiated?

Many local officers, proud of their union's bargaining record, have been surprised on checking information on standards negotiated elsewhere to find their union was behind on some aspects. Or they have come across useful ideas or facts they otherwise might not have discovered.

Years ago, a good deal of bargaining was largely a matter of unions pressing for basic rights and principles, in which the fundamental issues were often simply recognition and acceptance of the union. In that atmosphere, economic data usually played a limited role at the bargaining table.

But economic information is now a more significant force in most bargaining. This is true for another reason as well: the advances in transportation and communication and changes in the structure of industry have in many respects knit the country together more closely. There is a greater interdependence and interaction between industries and areas, so unions and management cannot as readily as in the past proceed purely on personal or local arrangements with little regard for economic developments.

In any event, most unions now find economic fact-gathering a helpful tool in formulating demands, in making a balanced and factual presentation in bargaining, in evaluating employer statements and in building membership and public support.

This does not mean preparation of economic material is a cure-all for negotiating problems. It does not guarantee successful negotiations. Economic facts alone are rarely enough. They are not a substitute for skilled leadership and strong membership.

An employer determined to refuse a reasonable wage increase may not change his mind no matter how strong an economic case a union may make. But given a strong union, and particularly where management is reasonable, information on economic factors facilitates sound settlements.

Many managements which will kick up a fuss and flatly refuse to go along with some union demands which are simply put on the table will react differently and be more inclined to agree if demands are supported by economic presentation which makes sense.

What sorts of economic information should be obtained? Usually the most important economic data is that on (1) wage and benefit movements and levels; (2) economic conditions, generally and in the particular industry or company; (3) changes in the cost of living; (4) family needs for reasonable standards of living; (5) changes in productivity and (6) profits.

No one of these is necessarily decisive or controlling. Which one or which combination is most significant will vary from time to time, union to union, industry to industry and according to other factors as well. They simply do not blend in any fixed way; there is no handy formula for combining them to come up with the "right" answer on the size of an appropriate wage increase.

Although economic data does not point to a specific answer, it usually can help narrow the area of difference, reduce the area of controversy and indicate the general range of a reasonable settlement.

Most local union officers have no special economic or statistical training. Can or should they get involved in handling economic and statistical data?

The answer is they should—and indeed they often have no choice but to get involved. The danger lies not in seeking and trying to use economic data but in trying to act as an expert economist or statistician or in relying wholly on economic materials.

The danger is an officer may rely too heavily



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\$	0.29 Gr A
\$	0.39 Gr A
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\$	0.29 Gr A
\$	0.23 De A
\$	0.24 De A
\$	0.19 Pr A
\$	0.25 Gr A
\$	0.31 Pr A
\$	0.50 Pr A
\$	0.37 Pr A
\$	1.45 Mt A
\$	0.33 Mt A
\$	1.03 Mt A
\$	0.75 Mt A
\$	0.19 Pr A
\$	11.41 TL A



Collective Bargaining

REPORT

on economic arguments and then get lost or misled in an economic or statistical debate which may stray far from the merits of the union position. Negotiations should not be conducted on the basis of who can put together the most impressive-looking or greatest quantity of data.

But, for some of the reasons noted earlier, it is generally to the advantage of the union representative, even if he is unskilled in economic matters, to explore certain information for his own background or guidance, to be equipped to rebut the employer if necessary and to beef up his presentation in bargaining.

Before outlining some of the basic types of useful data and their sources, it is well to state certain cautions or reminders on points often not adequately recognized:

- Gathering and use of economic information need not be extensive or formal to be useful. Its value does not depend on quantity or on the use of technical language.

- All data have limitations. They should therefore not be accepted unquestioningly (this is true both for information the union may want to use and that presented by management). Users should try to figure out and be aware of the limitations (who does it cover, how old is it, is it representative or specially selected, what is left out, etc.).

- Selection and interpretation are important. Some types of information are pertinent or useful, others are not. And much depends on the light in which it is put. The point is it is not enough merely to put some facts on the table: the most appropriate ones must be chosen and they must be put in perspective.

- Inaccurate or weak data should not be relied on. It can easily be turned against the user and hurt rather than help his objectives. Similarly, unfavorable data should not be ignored. A union representative should not rush to present unfavorable data, but he

should be aware of it so he knows just what he is up against in the event it must be dealt with.

Turning now to the basic types of economic information and sources which union representatives should bear in mind, wage information is of course always one of the most important in preparation for negotiations.

Wage statistics are not necessarily needed to justify wage demands nor need wage demands be limited by comparison with wages negotiated elsewhere. Other factors often warrant wage increases without regard to wage comparisons.

Nevertheless, if its members are not offered as much as is negotiated elsewhere or if they are paid less than other workers in the industry, trade or area, a union can make a better bargaining case if it can present data to show this.

Useful wage data usually falls into either or both of two broad categories: (1) results of recent bargaining settlements across the nation, in the industry, trade or area and (2) current levels of wage rates for similar work nationally, in the same industry or trade, or in the area.

Information on recent major settlements is provided regularly by the labor press and to some extent the daily press as well. A national union's paper or its international office bulletins or other material usually provides reports on that union's own settlements.

Once or twice a year, the AFL-CIO Collective Bargaining Report, now published in the American Federationist, rounds up the general picture of wage bargaining results across the country.

Another basic source is a monthly report called "Current Wage Developments," published by the U.S. Department of Labor's Bureau of Labor Statistics.

This report lists, industry by industry, the results of each recent collective bargaining settlement covering 1,000 or more workers. It presents the name of the company or association and union involved, the location and number of workers affected, the amount of wage increase, changes in benefits and other major terms of the settlement.

There is usually a time lag of several months between the date of a major settlement and its appearance in

Where does one get economic information?

There is no central source for all local unions to turn to nor can one union readily use economic material prepared by another. Much of a local's information needs are geared to its particular industry or trade, its own needs and problems and the situation at the time it is negotiating.

But certain basic sources of useful information can be identified. Most of them are regularly used by local officers even though they do not consciously consider themselves as carrying on "economic research." It is a good idea to put such sources to use throughout the year and not merely before bargaining time alone. True, most preparation for negotiations has to be done just before contract expiration time in order to be current. However, setting up folders or files on bargaining issues and keeping them up-to-date with material and notes might prove useful.

Following are basic sources:

- National union headquarters. Information on bargaining results elsewhere in the industry or trade can usually best be obtained from the union's own international headquarters. Some union headquarters do not collect much information from their locals but most do and are in a position to distribute information on settlements and standards achieved by their different local unions. The international union representative is usually equipped with or can readily get this and other information.

- Other unions. Representatives of other unions in the area can often be quite informative. They should be turned to primarily for information on what is won in other settlements but they also may be useful in suggesting new ideas and in calling attention to any specially useful sources of information.

- Labor papers and magazines. Most unions publish newspapers or magazines which frequently contain helpful background material for negotiations, particularly information on their own industry or trade. Their stories may often be especially useful as a guide to additional material.

The AFL-CIO News—only \$2 a year—regularly provides information on major collective bargaining settlements and other labor and economic news valuable for negotiations.

The American Federationist, published monthly by the AFL-CIO, regularly presents articles on different subjects of bargaining, summarizing current practices and trends.

- Other publications. The daily newspapers in each city often carry stories which are a guide to current economic and labor developments, both in the area and nationally. Each union officer should also be familiar with and examine regularly any special trade publications covering his industry or trade, for they often provide current information not available in the daily or labor press.

Several general publications widely read in the business community may also sometimes be useful, particularly to get business viewpoints; the daily Wall Street Journal and the weekly Business Week maga-

zine serve as two good examples.

- Government agencies. The federal government collects and publishes a wide variety of useful information. On certain subjects its reports are the fundamental and most authoritative source material and usually are best accepted by management and labor.

The agency which publishes the information most significant for bargaining purposes is the U.S. Department of Labor, particularly its Bureau of Labor Statistics. On request to the regional office of the Bureau of Labor Statistics or to its office in Washington, a union officer will be put on its mailing list to receive announcements of the Bureau's various publications as each is released.

Other federal agencies may be useful sources too, particularly for special data on specific industries or for specialized economic information. This is particularly true of the U.S. Department of Commerce, which conducts the census of business, and the U.S. Department of Agriculture.

- Employer or employer associations. The employer or industry itself is of course an essential source for certain information. Payroll records and profit information particularly must usually come directly from the employer or his published reports.

Some trade associations provide information on economic and other developments in the industry.

- Local library. The local public library can be extremely helpful, particularly if it has ample resources. Responsible librarians in many communities will be glad, if informed of the union's information interests, to stock materials providing such information. They may be willing also to keep an eye open for, and call the union officer's attention to, any new materials, particularly government data or private research group reports bearing on his industry.

- University or college. The possible helpfulness of the university or college in the area varies, but on occasion the university library or the economics department or particular professors may open their resources and guide the union representative to information he may be seeking. This does not mean the college should be relied on to make an economic case for the union but, where the union is seeking certain information, the knowledgeable people at the local college may help find it.

- Commercial services. There are some companies which publish and sell services or newsletters providing labor relations information. The Bureau of National Affairs, Inc., is an example.

Their services usually are somewhat expensive, for the most part focus on legal aspects of labor relations and may mislead users into believing they provide all necessary information. If these limitations are understood, however, they may be useful. They may also often be available free at the library.

Similarly, several companies, most notably Standard and Poor's and Moody's, publish financial information on individual companies and industries. They may be consulted at the library or at a stockbroker's or investment firm.

the published report. But despite this delay and the fact the report is restricted to settlements involving 1,000 or more workers, a collection of these reports over the year is often a useful index to adjustments negotiated in a particular industry in the preceding year and a handy guide to wage trends in general. Several times a year these reports include a tabulation of the size of the various negotiated wage increases.

This report will be sent on a regular basis without charge to any local union which requests it from the Bureau of Labor Statistics.

BLS also publishes a monthly report on overall average hourly and weekly earnings in different manufacturing industries and major non-manufacturing industries.

This report shows, for example, that average earnings of all non-supervisory workers in manufacturing in June 1961 were \$2.35 an hour and \$94.24 a week. It also presents such data for manufacturing in each state and for major cities in many states. This is the report which reflects the overall movement of average earnings in an industry from month to month and year to year. Similar data for states and cities, often with finer industry breakdown and some information on nonmanufacturing as well, is available from most state labor departments.

Several points must be remembered in using the BLS figures. The earnings reported are gross earnings. They include overtime and shift premiums. This means they are somewhat higher than straight-time earnings and they may increase or decrease with changes in the number of hours worked even though there is no change in wage rates.

The average earnings figures are also affected by the distribution of workers. Thus, an industry with a great deal of skilled, relatively high-wage workers will have higher average earnings than an industry with mostly unskilled relatively low-wage workers, even though its wage rates paid for the same job may be no higher.

Similarly, if an industry increases the proportion of workers in its lowest-paid jobs, average earnings will decrease even though there is no actual decrease in wage rates. This is true, for example, in retail trade at Christmas time, when many low-paid sales clerks are hired and average hourly earnings show a drop. When these workers are let go in January, the average earnings rise.

There is a time lag before these average earnings for any given month are published. For all manufacturing, data for a month are published by the middle of the following month. The breakdowns for individual industries are not available until two or three months later.

The detailed breakdowns are published in a monthly bulletin called "Employment and Earnings." It can be purchased from the U.S. Government Printing Office, Superintendent of Documents, at a price of \$3.50 a year.

Industry wage surveys by the BLS are a good source of information on wages for specific jobs.

These surveys present straight-time hourly earnings data for key occupations. Breakdowns are often provided for time as against incentive workers, by size of establishment, union vs. non-union establishments and by region or major city. The surveys usually also offer data on various fringe benefits.

The major limitation of this survey program is that too few industries are surveyed and available data is often quite out of date. The BLS now surveys only about 15 industries a year.

In addition, in each of four other industries, BLS conducts annual surveys of union wage scales in 52 large cities. These are the building trades, printing, local transit and local trucking.

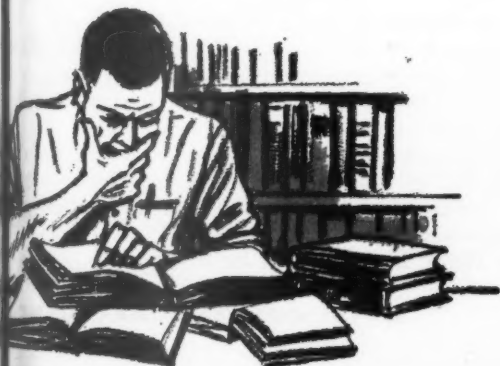
In the case of the building trades, reports are also provided quarterly on wage scale changes in each of 100 cities. These present union scales for seven major crafts: bricklayers, carpenters, electricians, painters, plasterers, plumbers and building laborers. The annual report presents data for additional crafts, almost two dozen in all.

Community wage surveys also are undertaken by the BLS. These provide wage data for each of 80 major cities. The data are not presented separately for individual industries but rather cover a combination of industries.

The occupations surveyed are those found in most industries (but unfortunately are not the key occupations in any specific industry). The type of occupations usually surveyed are: office (stenographers, typists, etc.), maintenance (maintenance mechanics, electricians, tool and die makers, etc.), and custodial and labor (janitors, material handling laborers, packers, etc.).

It should be kept in mind the industry and the community wage surveys cover both union and non-union workers. In using the survey results, allowance should be made for the fact that inclusion of the non-union workers usually results in an understatement of wage levels prevailing in union companies alone.

It should be remembered, too, there is a time lag between the date the survey is made and the date the results are published and used. Users of survey wage figures should adjust them upward, before using them for current comparisons, to take account of increases which have been put into effect since the survey was completed.



The community survey results are published for each city in an "Occupational Wage Survey" bulletin, available usually for 20 or 25 cents.

General economic considerations are another important factor in most bargaining. The state of the national economy as a whole affects all unions and workers. Such factors as the level and trend of business activity and consumer purchasing, employment and unemployment and prospects for the period ahead, each have some bearing on wage negotiations—even if they are not discussed at length in the bargaining.

While consideration of national economic conditions is ordinarily more significant in negotiations with the largest employers, such information usually offers helpful background even in the bargaining of small local unions and small employers.

It is often valuable as an aid in educating the union membership and building support for the union's position.

The underlying union position is that our economy needs growing markets, particularly growing mass consumer markets and that unions can best contribute to this objective by pressing for and achieving steady and sizable wage advances.

The broad economic picture is reviewed from time to time by Labor's Economic Review, now published in the *American Federationist*. The *Federationist* also often presents a brief roundup of current statistics on economic trends.

Statements by the AFL-CIO Executive Council and AFL-CIO testimony before Congress on economic issues frequently provide analyses useful as bargaining background. These are usually reported in detail in the weekly AFL-CIO News.

Economic developments in the particular industry or trade are of course especially relevant for collective bargaining. It is important for union representatives to keep informed, not merely on profit and wage developments in the industry or trade, but of its sales, production and new order trends, investment plans, new products and new methods and other economic changes.

The trade journals and industry association reports are usually the best continuing sources for such information. Periodic reports on many industries from the U.S. Department of Commerce also are useful source material.

Change in the cost of living is another type of economic information considered in negotiations. It is particularly important in periods when prices are rising rapidly. It has not been a very significant factor in the last couple of years during which the cost of living has been rising only very gradually.

When the cost of living rises, it in effect cuts wages, for existing wages cannot buy as much as before. To restore the "lost wages," it is necessary to raise wages by an amount at least equal to the rise in the cost of living. Thus, when the cost of living increases, say 5 percent, each \$1 in wages has to be increased to

\$1.05 to maintain its former value, that is, for the worker merely to be as well off as he was before living costs rose.

While a wage increase to make up for higher living costs is important, it must be recognized it only restores lost buying power and does not provide any improvement. Additional wage increases are necessary to provide a "real" increase, one which enables a worker to buy more than he could before.

When agreements are negotiated for a long term, that is, more than one year, most unions have insisted on including a cost of living adjustment clause to protect wages against rises in the cost of living during the life of the agreement. Such clauses provide for automatic adjustments in wages, usually quarterly, to make up for changes in the cost of living. The AFL-CIO Collective Bargaining Report for February 1957 can be consulted for an examination of the reasons for and the nature of such escalator clauses.

Changes in the cost of living usually are measured by use of the Consumer Price Index prepared by the government's Bureau of Labor Statistics. This index, published monthly, measures changes in prices of goods and services.

It presents a national figure and separate figures on changes in 10 major cities. The national figure has come to be widely viewed by management and labor as the most acceptable yardstick of living-cost changes for wage negotiation purposes.

Taking a recent full year, May 1960 to May 1961, the Consumer Price Index rose nine-tenths of 1 percent. In the preceding year, May 1959 to May 1960, the rise was 1.8 percent.

The Consumer Price Index measures only changes, however; it does not indicate how much it costs to live decently.

Information on how much is needed to support a family on at least a modest standard of living is available from two basic sources.

The most authoritative guide is the estimate provided by the U.S. Department of Labor in its *City Worker's Family Budget* survey.

This survey showed an average annual income of \$6,130 was needed by a worker to maintain a family, including a wife and two children, at a "modest but adequate" standard of living in major American cities at 1959 prices. In terms of weekly pay, this means \$118 every week.

The survey also presents separate estimates for each of 20 major cities. The range is from a low of \$5,370 a year in Houston to a high of \$6,567 in Chicago.

Information on the makeup of the *City Worker's Family Budget* and its significance for bargaining is presented in the August 1960 issue of the AFL-CIO Collective Bargaining Report.

The other widely-used estimate of the annual earnings needed to support a family reasonably is provided by a university group, the Heller Committee of the University of California.

The Heller Budget, based on living costs in San

Francisco, reports at least \$6,488 a year was needed as of September 1960 for a wage earner with a wife and two children to afford all those things which are part of a "commonly accepted" standard of living. On a weekly basis, this means \$125 every week.

A copy of the most recent Heller Committee Report explaining the concepts and makeup of its budget, is available for \$1.85 from the A.S.U.C. Store, Berkeley, California.

Productivity is another important underlying economic consideration in bargaining. Productivity, the amount produced in each hour of work, has been increasing steadily in this country and the increases warrant steady increases in wages.

While precise measurement is extremely difficult, there is wide agreement, substantiated by data published by the Bureau of Labor Statistics, that the rise in the nation's productivity in postwar years has been at an annual rate of 3 to 4 percent.

This is the amount at which real wages, that is, wages after adjustments have been made for any changes in the cost of living, should be increased annually for workers to share adequately in the benefits of the nation's productivity gains.

Advances in productivity reduce labor costs of production per unit. They thereby permit corresponding increases in wages—without requiring increases in price levels. Indeed, wage increases not only are justified to keep pace with productivity increases but are necessary to assure sufficient buying power for consumers to be able to purchase increased output.

Productivity changes within individual industries or companies often play a prominent role in shaping wage settlements. For some industries, data are available from the Bureau of Labor Statistics. But most often they are calculated roughly by the negotiators themselves by comparing changes in employment with changes in output (usually production or sales) to show the increase in output per employee or per man-hour.

Profits or "ability to pay" often is another important factor for bargaining. Unions ordinarily try to check on the financial condition of the employer and the industry and on apparent prospects ahead to use as a general background guide on possible limits

on wage adjustments. It is usually useful to do so even though the union does not intend to argue over accounting or financial statement details.

Financial statements are technical documents subject to substantial manipulation. Profits can be understated in many ways. Some of the cautions to be borne in mind in examining company financial statements, in measuring profits and in handling such information at the bargaining table are discussed in the March 1958 issue of the AFL-CIO Collective Bargaining Report under the title, "Financial Information in Collective Bargaining."

If a company is a corporation with public sale of stock, its financial statements to stockholders are usually readily available on request or in a financial reporting service such as Standard and Poor's or Moody's, available in a good public library. Standard and Poor's also publishes "industry surveys" which, although meant primarily for investors, may offer helpful background on business trends in the industry.

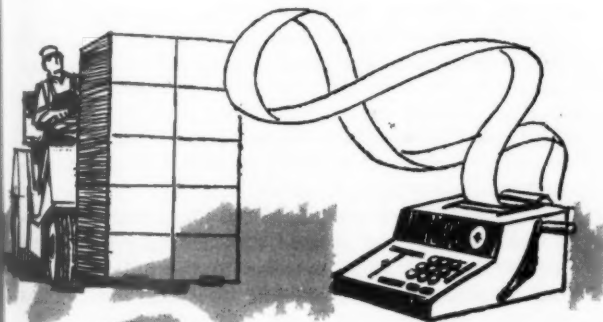
For major manufacturing industries, the Federal Trade Commission and Securities and Exchange Commission publish quarterly reports presenting combined financial information.

INDUSTRIES in which the Bureau of Labor Statistics has completed occupational wage surveys in the past two years are as follows:

MANUFACTURING	NONMANUFACTURING
Candy and confectionery	Banking
Cigarettes	Communications
Dresses	Crude petroleum and gas
Fluid milk	Hospitals
Foundry, nonferrous	Hotels
Glass and glassware, pressed or blown	Power laundries and dry cleaning
Machinery, except electrical	Social welfare workers
Petroleum refining	
Plastics, miscellaneous products	
Structural clay products	
Textiles, cotton	
Textiles, synthetic	

BLS also now has in process or is planning shortly to undertake surveys (or resurveys) in the following industries:

MANUFACTURING	NONMANUFACTURING
Cigars	Contract cleaning services
Machinery, except electrical	Eating and drinking places
Men's shirts and nightwear	Hotels and motels
Paints and varnishes	Life insurance
Textiles, dyeing and finishing	Powder laundries and dry cleaning
Work clothing	Services for the blind





The Middle Class Bias In Our Schools

by Lawrence Rogin

When, one hundred and thirty years ago, American trade unionists pressed for the establishment of free public schools, they stressed the importance of education for effective citizenship. Intelligent participation in a democratic society, they pointed out, required a public responsibility for education, a school system free and open to all.

But trade unionists and their allies recognized as well that education was the keystone in an "open" society, one in which the child of a worker or farmer could rise in the professions or in science or business and not be restricted, as was the case in the old world, to the status in life of his parents.

LAWRENCE ROGIN is director of the AFL-CIO Department of Education.

AFL-CIO EDUCATION NEWS AND VIEWS

So, as the years went by, trade unionists urged free and universal secondary education and the establishment of public colleges.

Compared to other countries, the United States did remarkably well in providing an open educational system. Unlike Great Britain and continental Europe, we made no effort to divide our children, at the age of 10 or 11, into two groups, a select few who would have the opportunity for secondary and higher education while the great mass, 90 percent or more, went to a common and inferior school ending at the age of 12 or 13 or 14. While the European selection theoretically was based on ability, somehow it was the rich and well-born who had the "ability" for the higher education.

The class character of European higher education was brought sharply to my attention when I visited Heidelberg about a year after V-E Day. With the largest registration in its history up to that time, fewer than 1 percent of the Heidelberg students came from working class or peasant backgrounds.

In the United States, opportunity for education has always been far greater than this. Since the establishment of the state universities, the land grant and city colleges, enough workers' and farmers' children have gone through college to demonstrate the truth of the proposition that talent is not restricted by accident of birth. Brilliance has been found in every class, in every race, in every group which settled or came to this country.

Yet the promise of our educational system always has been greater than its performance. This has been most clear to the American Negro, who in many parts of the country still suffers from schools which are obviously inferior and who for many years was kept from attendance at the best colleges, and poor colleges as well, just because of skin color.

This was the most obvious discrimination but not the only one. We have known for years a high proportion of the ablest children of low income groups have failed to go on to college primarily for economic reasons. If for no other reason than financial ability, there has been a class bias in American education which challenges our basic assumptions of a free society.

And now Patricia Cayo Sexton, in "Education and Income," a study of a school system in a major mid-western industrial city, asserts the way we run our schools aggravates this class bias. She contends additional obstacles are created for the children of low income families while catering to the already existing advantages held by middle class and upper class children.

To this reader and to reviewers for such respectable newspapers as the New York Times and the Washington Post, the evidence she presents makes the case without question.

Mrs. Sexton is a former auto worker and teacher, now assistant professor of education at New York University. She is concerned about the mass of American children, developing the thesis that society and the individual both suffer from an educational system which places a large group of students at a disadvantage simply because of the income of their parents. And the evidence she presents indicates this disadvantage is just as great in the low income white neighborhoods as in those where the bulk of the population is Negro.

Some of this information is clear and statistical. The schools in the low income areas are older, they have poorer facilities of all kinds from lunchrooms to laboratories, less play space, a higher proportion of substitute teachers and fewer facilities for free milk and subsidized lunch programs. Nor is the disadvantage true in the slum areas alone. For, Mrs. Sexton says, "the line of greatest separation seems to coincide almost exactly with the average family income level—which in Big City is \$6,900 a year." This she cites as the dividing line in almost all aspects of school life and it is a dividing line which includes under it too large a proportion of the working class population of the urban area she studied.

Mrs. Sexton's challenge, however, is deeper than the physical facilities of the schools and the proportion of substitute teachers. She charges, and presents evidence to support the charge, that the whole character of our elementary and high school system reflects a middle class bias that fails to take into account the needs of low income families. She shows how the schools respond best to children from homes where books are commonplace, ideas are discussed, reading is encouraged, there is a motivation toward education and life is easier. It helps, too, if the parents themselves are college educated and know how to talk to the teacher on an equal basis.

This middle class bias reflects itself most clearly in the I.Q. test, a self defeating instrument which is supposed to measure student ability. But what the I.Q. test measures is facility with words, something much more treasured in a middle class home than in those of lower incomes. So the low income child starts out at a disadvantage which becomes aggravated because the school assumes it is inbred and cannot be corrected. For in "Big City" there are many more remedial reading classes in the high income schools than in those in the low income areas even though the need, measured by achievement tests, is much greater in the latter.

The I.Q. test is only part of the problem. It is included in a general attitude which seeks to fit all students into a middle class culture reflecting the backgrounds of most teachers and supervisors, the writers of textbooks and planners of the curriculum and the

businessmen who dominate the school system through control of the school board.

Rather than recognizing the special needs of low income children and developing an educational program to meet them, many teachers and administrators tend to brush off those students who don't fit the developed pattern. This attitude is aggravated by the already indicated inadequate physical facilities, the high rate of illness and student turnover in low income neighborhoods, the difficulty in reaching the parents (they just don't belong to the PTA) and of communicating with them when they do come to school.

The result is a high concentration of low income children in the non-academic high school programs; their failure to be selected for "gifted children" special training; drop-outs which start in grade school and continue on through high school and, finally, even for many of those whose records demonstrate the ability, a failure to go on to college. In connection with the last point, Mrs. Sexton cites a statement by Rexford G. Moon, Jr., director of the College Scholarship Service, that the nation is now losing the talents of 150,000 able youths a year from low income levels because they do not continue their education beyond high school. Who can guess what the figure would be if the school system had developed all of the latent talent suppressed or distorted in the early years of schooling?

"Education and Income" raises too many basic questions to discuss them all in one article. But they are questions that require consideration by all believers in education as a force for democracy.

Throughout the years unions have ardently supported adequate financial support for the schools. Today, union representatives continue this support in their home communities, in their state legislatures and in the halls of Congress.

Mrs. Sexton's book reminds us, if we did not already realize it, that more money is not enough. We must do a great deal about our schools if we are to have real equality of education.

Education and Income, Viking Press, New York City, 1961, \$6.

NEW PAMPHLETS

We're Promoting Safety in Your Local.

AFL-CIO Publication No. 117. 12 pp. Single copies free.

Is there a safety and occupational health clause in your contract and is your union working on this problem? Unless the union does work on it, explains this pamphlet, it is expected 150,000 workers will be killed on the job and another 20 million injured during the 1960s.

In Your Interest . . . The Need for the "Truth in Lending" Bill.

*Industrial Union Department, AFL-CIO.
AFL-CIO Pamphlets Division. Publication No. 39,
12 pp. Free.*

The dangers inherent in easy credit and obscure terms which lead to interest charges as high as 43 percent in some states with inadequate regulations are set forth in this consumer-oriented pamphlet. Outlines the need for federal regulation of credit practices to alert the consumer to the true cost of borrowing or installment payments.

"Chins Up"—Still the Word in Henderson.

*Textile Workers Union of America, reprint. TWUA,
99 University Place, New York 3, N. Y.*

This is the story of the effect on a local union and its members of two strike years and the imposition of prison sentences on key leaders.

Heritage of Hatred.

*Auto Workers Publication No. 344. UAW Education
Dept., 8000 East Jefferson, Detroit 14, Michigan.
38 pages. 10 cents.*

An historical account of the class struggle and the sitdown strikes in Flint, Michigan. Includes illustrations and photographs of works of art shown at the International Labor Organization's World Labor Art Exhibit in Geneva in 1957.

America Needs Labor Unions.

*By Elmer Brown. Typographical Union, Box 428,
Indianapolis 6, Ind. 22 pp. Free.*

Brown, president of the ITU, draws a picture of the insecurity of the worker who bargains alone for wages and working conditions as his opening point. The author builds his case against so-called "right-to-work" laws, the revival of the injunction and the strike-breaker, using selected quotations and supporting a strong, free labor movement. He concludes with an outline of social and economic advances which democratic trade unions have won for its members and all Americans.

Trade Union Handbook.

*International Confederation of Free Trade Unions,
20 West 40th St., New York 18, N. Y. Educational
News No. 6. 166 pages. 75 cents.*

A valuable reference work on the warp and woof of trade unionism the world over. Deals with the background, function and structure of unions and includes a glossary of trade union terms in four languages.

Pre-Retirement Education.

University of Michigan-Wayne State University Institute of Labor and Industrial Relations, Ann Arbor, Michigan. Reprint series No. 16. Single copy free.

An exploration of the problems vital to older and retired workers. The effect of retirement programs on employment also is studied.

Distressed Areas in a Growing Economy.

*By Walter H. Wheeler, Jr. Committee for Economic Development, 711 Fifth Avenue, New York 22, N. Y.
19 pp. 50 cents.*

A condensed version of the CED national policy statement on distressed areas, this pamphlet contains a terse analysis of economic causes of chronic unemployment and the suggested remedial role of government-sponsored development programs. A map illustrating major and minor surplus labor areas is included along with a list of cities affected.

Right-To-Work Laws: Some Economic and Ethical Aspects

Abstract of a dissertation by William James Lee, S.S., M.A. Catholic University of America, Washington, D. C. 32 pp. No price listed.

Some of the social and ethical factors which underlie the arguments for and against this restrictive labor legislation are developed in terms of individual freedom, stable industrial relations, security and democracy in the trade union movement. Charting the fight for union security from its former economic battleground, the author traces the switch to the political arena in the enactment of hostile state and national legislation.

The Civil Rights Story . . . A Year's Review.

By Theodore Leskes. Reprinted from American Jewish Year Book. American Jewish Committee, 165 E. 56th St., New York 22, N. Y. 24 pp. 20 cents.

This review spans one of the most eventful years in the history of the civil rights movement: the emergence of the "sit-ins," passage of the second piece of civil rights legislation since 1875; inclusion of liberal planks in the 1960 platforms of both major parties. Also covers major developments in school desegregation, legal decisions and state legislation.

Operation Abolition—Some Facts and Some Comments

National Council of Churches of Christ, 475 Riverside Drive, New York 27, N. Y. 32 pp. 50 cents.

An attempt to clear the air and set the record straight on last year's student protests against the House Un-American Activities Committee hearings in San Francisco. Offers a factual sequence of events, followed by firsthand observations of student participants, local ministers, professors, journalists and political leaders.

Strangers Then Neighbors.

By Clarence Senior. Freedom Books, 515 Madison Avenue, New York 22, N. Y. 86 pp. 95 cents.

Senior places the influx of Puerto Ricans in the framework of America's tradition of immigration and traces the stereotypes applied by "native" Americans to each wave of newcomers. The responsibility for making the process of assimilation work is placed squarely on the "natives." The record of trade unions in this process also is examined.

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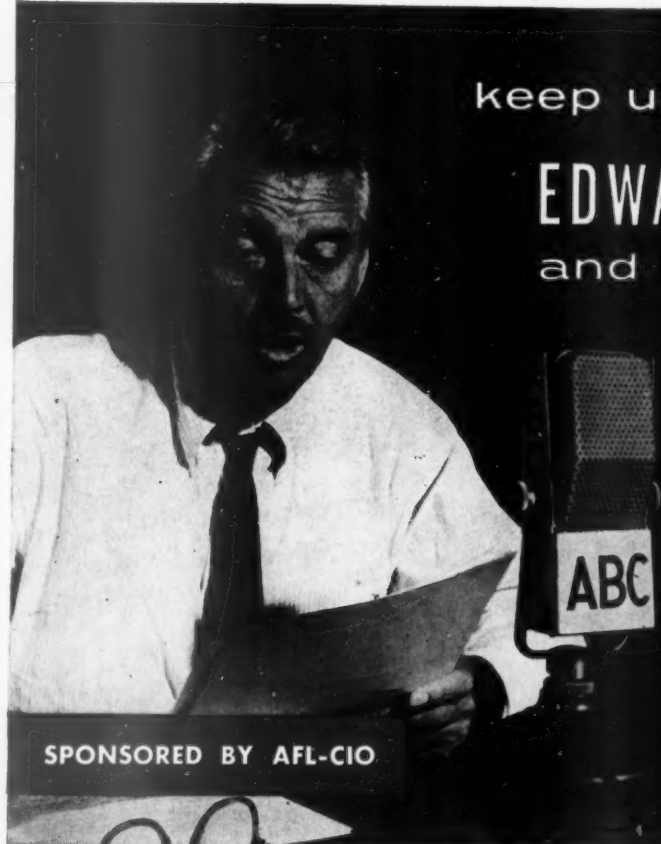
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